

Village of Sherwood

Downtown Market Analysis & Strategy

- Final Report -

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Executive Summary

The purpose of this study is to provide the Village with a focused set of market-driven recommendations for retaining, expanding, and recruiting desired businesses that attract commercial and residential development.

A multi-disciplinary team comprising staff from Short Elliott Hendrickson Inc. (SEH) and DANTH, Inc. (DANTH) conducted an in-depth market analysis for Sherwood in summer 2012. Market results were combined with an analysis of site-specific factors in order to identify and describe promotional and implementation strategies to guide local development efforts.

Sherwood's key assets as a business location were catalogued. Assets include strong population growth, a diverse mix of existing businesses, its desirability as a place to live, a highly educated and relatively affluent population, commuter traffic along STH 55/114, and High Cliff State Park. Sherwood's liabilities as a business location include inadequate commercial spaces, a disbursed development pattern, a pedestrian unfriendly historic downtown, strong competition from the other Fox Cities, and an underdeveloped local roadway network.

Several market potentials were identified for Sherwood. Housing demand is estimated between 216 and 527 units by 2022. In terms of office space it is estimated that the Village could support between 5,700 and 7,600 square feet over the same period. Analysis suggests that professional services including chiropractor, lawyer, consultant, and similar could occupy those spaces. A childcare facility would require roughly 10,000 square feet of indoor space and an additional 15,000 square feet of outdoor space. The market potential for a childcare will be driven in large part by external demand from commuter traffic into the Fox Cities from Calumet County, in addition to local demand. Total retail space demand is estimated at between 26,600 and 31,900 square feet while personal services could require between 2,270 and 3,425 square feet of space. Targeted retail businesses include a supermarket, specialty foods, gift shop, jewelry store, used merchandise, restaurants. Likely personal services include hair salons, nail salons, photographic services, personal goods repair, and other personal services. Finally, several "special scenarios" could support up to 6,300 square feet of space under the right circumstances. These include dry cleaner, pharmacy, sporting goods, and "wildflower" businesses such as a yoga/pilates dance studio.

An effective development strategy must also recognize and consider site-specific factors such as existing land uses, transportation networks, unique local assets and resources. Based on this analysis, four geographic opportunity areas were identified for Sherwood, including the historic downtown, Wanick Park/Castle Drive, High Cliff, and Lower Sherwood/Robinhood Drive. Specific land use, transportation, and design strategies were identified for each opportunity area.

The project team identified four key challenges and core strategies most relevant to Sherwood's overall economic development efforts.

Key Challenge #1: The dispersed nature of commercial development

Sherwood lacks a concentrated commercial district where businesses can share customers. Not only is development dispersed throughout the community, but patronizing multiple businesses on one trip is further complicated by poor pedestrian connectivity within existing commercial nodes, as is the case in the Wanick Park/Castle Drive area. Core strategies include concentrating future development in high

priority opportunity areas or commercial nodes such as those discussed within this report. It should also develop way-finding signage to link commercial nodes with each other and to local destinations such as High Cliff State Park and both golf courses.

Key Challenge #2: An underdeveloped local transportation network

Transportation is a critical ingredient in fostering successful development. The existing network of local roadways has not kept pace with the Village's growth over the past few decades, resulting in an over reliance on STH 114/55 to move local traffic and contributing to an unsafe pedestrian environment in the historic downtown area. Furthermore, the local road network does not provide adequate access to existing businesses and available commercial properties. Core strategies include planning for and building additional local road capacity. The Village should also provide better pedestrian accommodation, especially in and around the historic downtown area and the Wanick Park/Caste Drive commercial node.

Key Challenge #3: Lack of organization and dedicated resources

Organizations and networks comprising local residents, business owners, and community leaders often drive successful development efforts, especially in smaller communities. These organizations often take active roles identifying supportive local policies, helping recruit desired businesses, promoting tourism, polishing up dilapidated buildings or other eyesores, and organizing events such as farmer's markets. Core strategies including developing the organizational capacity to promote both community-wide economic development efforts as well as those focused on the historic downtown area. The Village should also invest in professional staffing to support local development efforts especially in the early stages.

Key Challenge #4: Lack of commercial identity

While Sherwood supports a diverse mix of businesses, it lacks a strong identity as a commercial destination. Successful commercial niches create an identity for a community or destination, providing additional marketing opportunities to draw in more customers. Sherwood also suffers from its current physical appearance. This is especially true in the historic downtown area, where several buildings are currently in various states of disrepair alongside a few highly visible, seemingly abandoned commercial parcels. The Village should enhance the physical attractiveness of Sherwood as a business location in order to signal to visitors, business owners, and developers that Sherwood is a good place to shop, own a business, and invest in. It should also strengthen the convenience niche through the addition of a grocery store, pharmacy, dry cleaner, and other businesses and create and market a "having fun" niche, which builds off of existing business strengths.

The project team identified a mix of short, medium and long-term recommendations to promote local development efforts.

Short-Term Recommendations (0-2 yrs)

1. Initiate a dialogue with WisDOT to discuss potential "win-win" approaches to transportation planning and corridor preservation along STH 55/114.
2. Pro-actively plan for Sherwood's transportation future.
3. Make targeted investments to improve the image of the historic downtown area.
4. Build capacity to support downtown redevelopment efforts.
5. Strengthen relationship between Village and existing businesses in order to support additional local development efforts.

6. Conduct a High Cliff Visitor Profile and Economic Impact Study to characterize visitors, their spending patterns, and shopping habits.
7. Conduct a detailed Downtown Development and Design Plan to identify desired development in historic downtown core.
8. Perform a traffic engineering analysis to identify feasibility of closing Clifton Rd at STH 114/55 intersection.
9. Plan for re-route of sand and gravel truck traffic out of downtown along proposed Condon Road extension connecting Clifton Road to STH 114/55.
10. Develop way-finding signage to enhance connectivity between commercial nodes, Village gateways, marina, and High Cliff State Park.
11. Develop attractive community gateway at northern entrance to Village near intersection of railroad tracks and CTH M.
12. Create a new TID overlapping planned commercial growth area along Knight Dr.
13. Create a new TID in the historic downtown area.
14. Develop and implement a recruitment program to attract desired businesses to Wanick Park area.
15. Conduct neighborhood level planning with residents of lower Sherwood/Robinhood Drive area.
16. Consolidate previous planning efforts for the purposes of development of marketing materials promoting investment and redevelopment opportunities in the Village.
17. Review sign and appearance ordinances and assess need for changes or updates.

Medium-Term Recommendations (2-5 yrs)

18. Re-route sand and gravel truck traffic out of downtown along proposed Condon Road extension connecting Clifton Road to STH 114/55.
19. Construct local roadway connections.
20. Officially map long-term solution for STH 55/114 through Sherwood's downtown.
21. Construct downtown improvements along STH 114/55.
22. Create and begin to implement a branding strategy for the Village of Sherwood.
23. Make space available and promote a farm stand/farmer's market in the historic downtown area.
24. Create a downtown streetscape with signature "civic intersections" and "downtown gateways" connecting Wanick Park and historic downtown.
25. Recognize the Village Hall/American Legion Park area as a civic cluster and position as gateway to High Cliff State Park.
26. Strategically plan for future Village investments in community facilities to be located downtown.
27. Invest in a "destination" attraction or folly to help catalyze redevelopment of historic downtown.
28. Conduct a hotel feasibility study.
29. Develop and implement a marketing program.

Long-Term Recommendations (5 + yrs)

30. Construct alternate route/bypass.

Introduction

The purpose of this study is to provide the Village with a focused set of market-driven recommendations for retaining, expanding, and recruiting desired businesses that attract commercial and possibly mixed-use development. The study area defined by the Village in its Request for Proposals included:

- The area along State Highways (STH) 55 & 114 between the northwesterly crossing of the roadway at a signalized railroad crossing, and to the south where 55 & 114 split.
- The area along County Highway (CTH) M, or Military Road, from the signalized railroad crossing to the south at the roadway intersection with STH 55/114.
- The area of undeveloped farmland lying between STH 55/114 and CTH M and south of the railroad tracks.

The objectives of the study were to:

- Identify market potentials, including – professional services; personal services; office needs; retail; dining & entertainment; housing;
- Quantify the future demand and service area for segments identified above at present, and in a 5-10 year timeframe;
- Delineate segment clusters that provide mutually-supportive synergies, and
- Develop a market-based strategy for implementation, based on the market analysis.

The project team was asked to look specifically at transportation issues and opportunities related to downtown redevelopment and the need for better pedestrian accommodation. Because of the central role that STH 114/55 plays in the Village's transportation network, the team examined both local and state highway issues as part of this report.

Short Elliott Hendrickson Inc (SEH) partnered on this assignment with DANTh, Inc (DANTh) to conduct the study. DANTh conducted a majority of the market analysis for the final report, while SEH focused on applying the results of the market analysis to specific opportunity areas within the Village. The project team collaborated throughout the project including in the identification of appropriate recommendations for implementing the findings from the market study. In order to meet the objectives of the Request for Proposal the project team:

- Reviewed the regional and local economic environments.
- Identified the types of retail activities that can be attracted to Sherwood, estimated the amounts of commercial space it may occupy, and identified properties in the Village that might meet their locational requirements.
- Paid particular attention to the potentials for attracting a grocery store and pharmacy to the Village.
- Assessed the potential for attracting a child care facility to Sherwood, estimated the amounts of commercial space it may occupy, and identified properties in the Village that might meet their locational requirements.
- Assessed the potential for more housing growth in Sherwood.
- Assessed the potential for developing additional office space in Sherwood, estimated the amounts of commercial space it may occupy, and identified properties in the Village that might meet office tenant locational requirements.

Methodology

The findings presented herein are those of the SEH - DANTH team only. The team examined the Village from a business location, downtown and retail marketing perspective. A multi-disciplinary team including transportation planners, downtown revitalization specialists, architects, landscape architects, and community economic development specialists applied their knowledge of locational trends, decision-making factors, retailing, and economic-development and planning best practices. The project team:

Reviewed several prior studies and plans. The team reviewed the 2008 Comprehensive Plan, Pedestrian Plan, TIF Project Plan, Upper Wanick Park Master Plan, STH 55/1114 Corridor Study Documents.

Conducted four fieldwork trips that totaled ten man-days. Site visits included transportation planners, economic development specialists, downtown revitalization specialists, architects, planners, and landscape architects.

Toured Sherwood and High Cliff State Park. The project team visited several destinations within Sherwood including both golf courses and High Cliff State Park.

Visited area communities. The team visited Appleton, Brillion, Chilton, Darboy/Harrison, Hilbert, Kaukauna, Menasha and Neenah to investigate local economic conditions including retail and housing trends.

Met with community and business leaders. The team met with Village officials, the Project Steering Committee, and the participants of two focus groups. During site visits team members met with 10 individual business operators for informal discussion. Finally, the project team met six times with the Village Administrator over the course of the project.

Conducted interviews with key organizations. The team interviewed staff members at Appleton's Office of Economic Development; the Wisconsin Department of Work Force Development, the Fox Cities Chamber of Commerce, the Wisconsin Department of Transportation (WI DOT) the University of Wisconsin-Madison and Center for Community Economic Development, and UW-Extension (UWEX) Calumet County.

Interviewed two tenant prospects. Two high quality prospects were interviewed for their insights into local market conditions and trends.

Analyzed a variety of data sources. The team analyzed data from the US Bureau of the Census, US Bureau of Labor Statistics, Village of Sherwood, Zillow, the East Central Wisconsin Regional Planning Commission, the Wisconsin Dept. of Work Force Development, the Fox Cities Chamber of Commerce, the University of Wisconsin-Madison and UW-Extension, the Wisconsin Council on Children and Families, Google Maps, Public Policy Forum, WI DOT and other sources.

Utilized computer modeling. The team made extensive use of UW-Extension's Gap Analysis Calculator and analyzed drive-shed analyses and data sets available through ESRI Business Analyst.

Applied our 100+ years of collective. The project team consulted its network of professional contacts to gain insight into local economic conditions and trends; and applied its experience working on economic development and community planning issues.

Project Approach

Although sophisticated data analysis tools enable the production of market research reports such as this one, replete with precise statistics, these endeavors must almost always cope with data that are substantially less than ideal. The main challenge is that most of the data used in these projects are what is termed “secondary,” largely produced or gathered by other sources. Consequently, the data may not fit closely with the needs of the secondary analysis.

The project team believes that the proper approach to this situation is not just to use data that are the best available, but to use those that are at least good enough to credibly support important and reasonable conclusions. This approach requires good judgment not just about the quality of the data, but also regarding the content of the conclusions that can be drawn from it. Consequently, the project team believes that prudence and caution are important elements when we recommend which type of economic activities may have significant potentials in a commercial district and how much space they may each require. Accordingly, we hope that our clients will therefore treat our estimates as solid minimums, with the expectation that our errors will lean more to the low side than the high.

In this report, our caution is most clearly manifested in how we analyzed the potential of attracting a grocery store to Sherwood. We present two analyses. The first uses a very traditional method of defining and analyzing the grocery store’s trade area, while the second identifies a number of factors that warrant a more customized approach.

The Regional Context & Study Area

The Village of Sherwood is located roughly 12 miles southeast of downtown Appleton. It straddles STH 114/55 and borders both Lake Winnebago and High Cliff State Park, one of Wisconsin’s busiest state parks. The community’s proximity to the Appleton metro area and the abundance of outdoor and recreational amenities has made it a very attractive location for residential development. In 1990 the population was 837. By 2010 it had reached 2,713.

Sherwood once thrived as a vibrant, rural community lying along CTH M (Military Road) leading north to Green Bay. Photos of the downtown area indicate a bustling community with strong agricultural roots. With the growth of the Fox Cities and transportation improvements along the STH 115/114 corridor, Sherwood’s more recent development naturally concentrated in “lower Sherwood,” west of the historic downtown area. Despite the phenomenal residential growth, however, significant commercial growth has not materialized within the Village. Competition from a rapidly expanding commercial district in Darboy, a lack of suitable sites and an underdeveloped local roadway network has hampered development. Today Sherwood is a Village of nearly 3,000 residents without a grocery store, pharmacy, and other commercial establishments one normally associates with a community of its size.

Despite these challenges, Sherwood is taking steps to define its economic future through a series of targeted investments in new community facilities such as Wanick Park and the extension of Knight Drive. Good STH 55/114 access, high visibility, the presence of other successful businesses, and available parking will likely spur new commercial development in the area, enhancing the community’s quality of life. On the other hand, additional growth in lower Sherwood may continue to sap economic vitality out of the downtown as new businesses follow growth down the hill.

Against this backdrop, the historic downtown is struggling to remain economically viable and define its own identity within the community. A mix of retail and service oriented businesses currently succeeds in the downtown. The Post Office, Church, Village Hall, Community Center, and American Legion Park provide community functions. Looking ahead, one of Sherwood's key challenges is to envision what role the historic downtown should play within the community, and then to establish the leadership, organization, and funding to achieve that vision.

The Economic Context

The National Level

The national economy is slowly emerging from the most severe recession since the Great Depression of the 1930's. The Great Recession began in December 2007 and, in theory, ended in June 2009.¹ But, as is widely recognized, the recovery has been sputtering at best. Incomes are stagnant, employment and job security remain major concerns, and experts are vague about when a full job recovery will take place.²

Housing problems were a critical cause of the recession and this market remains a huge drag on economic recovery. Home values have fallen, the surplus of supply continues and the large number of foreclosures and underwater mortgages seem poised to assure an enduring excess of supply.

Consumer behavior has changed in ways that experts such as McKinsey, the global management-consulting firm, expect will be long lasting. Besides facing higher unemployment, lower job security and declining home values, the net worth of the average American household fell by 40% between 2007 and 2010.³ Consequently, the consumers' free-spending behaviors of the 1990s and early 2000s are gone; they now are far more deliberate and cautious about purchases. Their needs now have a more powerful position in their decision-making than their wants.⁴

These new "deliberate consumers" are predominantly in quintiles two, three, and four of the nation's household incomes. They basically support middle-market retailing. They are shopping more than ever in "value retailers" such as Wal-Mart, Target, Best Buy, etc., or on the Internet where they can find bargains. Their aspirational, "trading up" purchases have, in turn, declined substantially.

The top quintile, which has the core shoppers for the luxury retail market, has also shown signs of caution. Nevertheless, it has exhibited the strongest spending rebound from our Great Recession, if not at its prior high expenditure levels.

¹ Bureau of Economic Research, "US Business Cycle Expansions and Contractions." Sept. 20, 2010, <http://bit.ly/Njs1fK>

² See for example: Anne Lowery, "In Latest Data on Economy, Experts See Signs of Pickup," New York Times, July 13, 2012 <http://nyti.ms/L0k2Kg>

³ "Americans saw wealth plummet 40 percent from 2007 to 2010, Federal Reserve says," Washington Post, June 11, 2012 <http://wapo.st/Njqqqn>

⁴ For a full analysis of the "deliberate consumer" see: <http://bit.ly/NjWRVH>

Key Trends

1. In recent months, for the first time since the onset of the Great Recession, a number of industry experts have opined that the housing market may have finally bottomed out and that a real recovery may be underway.⁵
2. Observers also are noting that while the single-family home portion of this sector is still struggling, the construction of multi-unit rentals is where the signs of a real rebound are most discernible.⁶
3. Additionally, a recent report by The Demand Institute (a joint venture of The Conference Board and Nielsen) argues that the character of the nation's housing demand is undergoing a significant shift toward these multi-unit rentals.⁷
4. Two other recent reports from The Brookings Institution merit attention. John McIlwain argues that there is no longer a large demographic group that can be expected to drive suburban housing demand and that the "the low rate of single-family home production of the past several years may be a reflection of more than just the housing crash."⁸ He goes on to argue that this may bring about the end of urban sprawl and reduced growth for "fringe" communities.
5. In the other report, Christopher B. Leinberger, finds that within a large metro area, walkable places have higher "office, residential, and retail rents, retail revenues, and for-sale residential values" than less walkable places.⁹
6. Finally, another trend drawing attention from such organizations as The Boston Consulting Group and The Brookings Institute is the resurgence of manufacturing in the USA.¹⁰ One observer argues that: "Sectors that are sensitive to trade – agriculture, energy, capital goods like airplanes and gas turbines, commodities, logistics, transportation, tourism – have bounced back more rapidly than purely domestic industries." Other experts argue that this resurgence will lead to recapturing jobs that had been lost to China.¹¹

The Regional Level

While the regional areas relevant to Sherwood undoubtedly were adversely impacted by the Great Recession, evidence suggests that they were not as negatively impacted as the State of Wisconsin overall or as the nation. There are also indications that while the regional economic recovery may continue to sputter, it still may have gained quicker traction than in either the state or the nation.

Unemployment and Business Outlook

Unemployment rates are important indicators of an area's economic well-being and reduced demand for retail goods and services. Fewer home sales and lower expenditures on entertainment and recreational activities also can be expected where they are high. Table 1 compares April 2006 and April 2012

⁵ For example, see: <http://nyti.ms/NDW13e>

⁶ See for example: Randy Drummer, "Apartment Market Shifting Focus To New Supply" CoStar E-Newsletter, May 16, 2012

⁷ Louise Keely, Bart van Ark, Gad Levanon, and Jeremy Burbank "The Shifting Nature of U.S. Housing Demand," The Demand Institute, May 2012, pp 49, <http://bit.ly/L7EdSo>

⁸ John McIlwain, "The Great Recession: A Slayer of Sprawl," *Urban Land*, April 5, 2012 <http://bit.ly/HA84Bq>

⁹ [Christopher B. Leinberger](#), "Walk This Way: The Economic Promise of Walkable Places in Metropolitan Washington, D.C.," The Brookings Institution. <http://bit.ly/MOo9EA>

¹⁰ See, for example, Martin Neil Baily and Bruce Katz, "U.S. manufacturing makes a comeback," Washington Post, May 18, 2012, <http://wapo.st/NjMz8b>

¹¹ The Boston Consulting Group, "Made in America, Again: Why Manufacturing Will Return to the U.S.," March 2012 <http://bit.ly/NjMQb9>

unemployment rates in Calumet County, the Appleton MSA, the Appleton- Oshkosh-Neenah CSA and the Fox Valley Workforce development Area with those for WI and the USA. 2006 was selected for this comparison because it was the last full year prior to the onset of the recession. Recent unemployment appears to be lower in Calumet County and the Appleton metro area than in the state or the nation and their differences from their 2006 unemployment rates are also lower. The data in Table 2 suggest that employment may have bottomed out around 2009.

Table 1 - Comparison of Unemployment Rates in Areas Relevant to Sherwood (2006 and 2012)

Geography	Apr-06	Apr-12	Delta '07 -'12
USA	4.7%	8.2%	3.5%
Wisconsin	4.9%	6.8%	1.9%
Fox Valley WDA-4	4.8%	6.3%	1.5%
Appleton-Oshkosh-Neenah, CSA	4.7%	6.0%	1.3%
Appleton, MSA	4.8%	6.0%	1.2%
Calumet County	4.1%	5.0%	0.9%
Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics program			

Table 2 - Comparison of Non-Farm Jobs in Regional Areas Relevant to Sherwood (2006 and 2012)

	Jun-05	Jul-05	2,011
Wisconsin	2,861,500	2,744,100	2,740,700
Appleton-Oshkosh-Neenah, CSA	210,800	207,000	210,400
Appleton, MSA	118,600	115,500	116,500
Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics program			

Annually, since 2008, the Fox Cities Chamber of Commerce has surveyed about 200 businesses to gauge what they are doing with regard to investing and employment and to learn how they see various parts of the regional economy are performing (Table 3). The chamber kindly made available to us the results of their 2012 Economic Outlook Survey, which reported on the responding firms' behavior in 2011 and their expectations of what they will face and do in 2012. The survey's findings support the view that while the economy has bottomed out, its rebound still is sluggish and sputtering. However, the findings also suggest that the region's manufacturing and finance, insurance and real estate (FIRE) industries may be doing significantly better than the other economic sectors.

Table 3 - How Fox Cities Businesses Responded to 2012 Economic Outlook Survey

Survey Questions	Ahead of 2010	Same as 2010	Behind 2010	N/A
Your firm's local 2011 employment				
All firms	31%	52%	18%	0%
Manufacturing	46%	38%	16%	0%
Fire	35%	45%	20%	0%
Were your firm's 2011 net profits				
All firms	50%	25%	23%	3%
Manufacturing	60%	16%	20%	4%
Fire	75%	20%	5%	0%
Was your 2011 sales activity	59%	18%	23%	1%

In 2012 expect local employment	Increase	Remain the same	Decrease	N/A
All firms	44%	50%	6%	0%
Manufacturing	64%	36%	0%	0%
Fire	50%	40%	10%	0%
Expect 2012 sales volume to	71%	25%	5%	0%

Planning capital expansion in 2012	Yes	No	N/A
All firms	19%	81%	0%
Manufacturing	30%	70%	0%
Fire	25%	75%	0%
Has the Fox cities economy rebounded?	Yes	No	
All firms	58%	42%	
Manufacturing	64%	36%	
Fire	70%	30%	
Trade	48%	52%	
Service	48%	52%	
Other	65%	35%	

Source: Fox Cities Chamber of Commerce 2012 Economic Outlook Survey Data

Some of the survey's specific findings:

- 58% of the companies surveyed believed that the Fox Cities economy has rebounded, 42% did not. Among those in the manufacturing and FIRE sectors, 64% and 70% respectively felt the region's economy has rebounded.
- 31% of surveyed businesses reported employment growth in 2011. 51.5% stated staff size was the same as the previous year. 17.5% indicated a decline. Here again, the response from the manufacturing and FIRE industries were more positive, with 46% and 35% respectively reporting that employment in 2011 was ahead of 2010.
- 50% of the firms reported that their profits in 2011 were higher than in 2010. In the manufacturing and FIRE industries 60% and 75% of the firms respectively reported higher profits in 2011 than 2010.

- However, the total number of companies that experienced employment growth in 2011 was exactly the same number as reported in 2010. Also, responses about gross sales and net profits were virtually identical for years 2010 and 2011. This response pattern may indicate that the economy has not yet reached the threshold of reduced risk needed to spark additional firms to make capital investment and add employees.

Housing Trends

In 2010, the percentage of vacant housing units in the Appleton MSA was 5%, which was 62% lower than the vacancy rate of 13.1% for Wisconsin (Table 4). The comparatively low vacancy rate supports the view that the MSA had come through the Great Recession without an inordinate amount of excess housing supply that had to be absorbed. The homeownership rate in the MSA, 73.5%, is 8% higher than that for the state as a whole.

Table 4 - Appleton MSA Housing Occupancies/Vacancies (2010)

Geography	Total housing units	Percent Occupied housing units	Percent Vacant housing units	Occupied housing units	Percent Owner-occupied housing units	Percent Renter-occupied housing units
Appleton MSA	92,844	95.0	5.0	88,223	73.5	26.5
Wisconsin	2,624,358	86.9	13.1	2,279,768	68.1	31.9

Source: U.S. Census Bureau, 2010 data

The housing market appears to have been in decline in the Appleton MSA well before the onset of the Great Recession. It peaked in 2002 with 3,540 new units and then steadily declined through 2009 to 918 units. Some growth returned in 2010 and 2011, with 1,033 new units coming online in 2011 (Table 5).

Table 5 - New Housing Units in the Appleton MSA (2002-2011)

Year	Number of New Units	Percent of 2002
2002	3,540	100.0%
2003	3,208	90.6%
2004	2,642	74.6%
2005	2,243	63.4%
2006	1,781	50.3%
2007	1,359	38.4%
2008	1,332	37.6%
2009	918	25.9%
2010	946	26.7%
2011	1,033	29.2%

Source: U.S. Census Bureau and Real Estate Center at Texas A&M University

Single family homes have long been the type of housing preferred by the residents in the Appleton MSA. As can be seen in Table 6, between 61% and 84% of the new housing units produced in the MSA between 2002 and 2010 were single family homes. However, in 2010 the number of units in multi-family buildings with 5+ units jumped 52% from 150 to 228 from the previous year and they accounted for about 24% of all the new housing units built in the MSA in 2010. The multi-unit trend strengthened even further in 2011 with the number of units in multi-family buildings with 5+ units jumping by 116% to 493 from 228 the previous year and they accounted for about 48% of all the new housing units built in the MSA in 2011.

In the post-Great Recession world, mortgage foreclosures and underwater mortgages are important indicators of the health of a locality's housing market. The foreclosed properties add to the often excessive housing supply. The underwater mortgages are all too apt to morph into foreclosures. According to the latest RealtyTrac U.S. Foreclosure Market Report: "Foreclosure filings — default notices, scheduled auctions and bank repossessions — were reported on 37,896 Wisconsin properties in 2011, down 5 percent from a year ago, but 8 percent above the level reported in 2009."¹² RealtyTrac also reports that Wisconsin posted the 12th highest foreclosure rate in the nation in 2011.

¹² RealtyTrac <http://bit.ly/NphCvp>

Table 6 - New Housing Units in the MSA by Type (2002-2011)

Single Family					
Date	Units	Unit% Chg	% AllUnits	Value	Val% Chg
2002	2,162	7.8	61.1%	\$ 157,100	4.4
2003	2,460	13.8	76.7%	\$ 158,100	0.6
2004	2,221	(9.7)	84.1%	\$ 177,100	12.0
2005	1,733	(22.0)	77.3%	\$ 195,200	10.2
2006	1,276	(26.4)	71.6%	\$ 200,100	2.5
2007	1,114	(12.7)	82.0%	\$ 203,000	1.4
2008	902	(19.0)	67.7%	\$ 206,400	1.7
2009	684	(24.2)	74.5%	\$ 185,700	(10.0)
2010	670	(2.0)	70.8%	\$ 196,900	6.0
2011	498	(25.7)	48.2%	\$ 212,100	7.7
Two- Four Units					
Date	Units	Unit% Chg	% AllUnits	Value	Val% Chg
2002	244	7.0	6.9%	\$ 81,400	(0.9)
2003	142	(41.8)	4.4%	\$ 90,100	10.7
2004	189	33.1	7.2%	\$ 92,100	2.2
2005	193	2.1	8.6%	\$ 104,700	13.7
2006	197	2.1	11.1%	\$ 95,500	(8.8)
2007	95	(51.8)	7.0%	\$ 115,200	20.6
2008	90	(5.3)	6.8%	\$ 119,000	3.3
2009	84	(6.7)	9.2%	\$ 111,600	(6.2)
2010	48	(42.9)	5.1%	\$ 107,300	(3.9)
2011	42	(12.5)	4.1%	\$ 127,300	18.6
Multi-family 5+ Units					
Date	Units	Unit% Chg	% AllUnits	Value	Val% Chg
2002	1,134	(8.3)	32.0%	\$ 48,200	7.3
2003	606	(46.6)	18.9%	\$ 46,900	(2.7)
2004	232	(61.7)	8.8%	\$ 49,000	4.5
2005	317	36.6	14.1%	\$ 49,000	-
2006	308	(2.8)	17.3%	\$ 47,000	(4.1)
2007	150	(51.3)	11.0%	\$ 67,800	44.3
2008	340	126.7	25.5%	\$ 45,900	(32.3)
2009	150	(55.9)	16.3%	\$ 82,700	80.2
2010	228	52.0	24.1%	\$ 66,000	(20.2)
2011	493	116.2	47.7%	\$ 52,900	(19.8)
Source: U.S. Census Bureau and Real Estate Center at Texas A&M University					

Most of the counties in or near the Appleton MSA and the Appleton CSA had foreclosure rates in 2011 that have been classified as “high” (Table 7). However, Calumet County’s rate is considered to be moderate. This suggests that Calumet’s housing market will be less negatively impacted by foreclosures and gives it a competitive edge.

Table 7 - Mortgage Foreclose Rates in Counties in or Near the Appleton MSA & CSA (March 2012)

Geography	Households	Foreclosure Rate = 1 in... households*	Category
USA	131,820,780	637	High
WI	2,659,948	596	High
Fond du Lac	43,910	1,331	Moderate
Calumet	19,695	1,159	Moderate
Outagamie	73,149	710	High
Manitowoc	37,189	689	High
Winnegago	73,149	556	High
Brown	104,371	541	High
Sheboygan	50,766	540	High

Source: RealtyTrac Inc., U.S. Bureau of Labor Statistics, Nielsen
 Claritas. Credit: Robert Benincasa and Nelson Hsu/NPR
<http://n.pr/LJXIkM> Data for Mar 2012 * Higher is better

Table 8 shows that although Wisconsin has a higher percentage of underwater mortgages, 27%, than the nation, 23%, the rates for the Appleton MSA, Calumet County and Outagamie County are just under the national rate. Table 8 also shows that there is significant variation in the underwater mortgage rates among jurisdictions within the Appleton MSA. The rate for Sherwood and Kaukauna is 16%, Woodville and Appleton are at 26% and Menasha’s is 28%.

Table 8 - Underwater Mortgages in Sherwood vs. Other Geographic Areas (2011)

23.0%	USA
27.0%	Wisconsin
22.0%	Appleton MSA
20.0%	Calumet County
22.0%	Outagamie County
16.0%	Sherwood
16.0%	Kaukauna
22.0%	Chilton
22.0%	Neehnah
26.0%	Woodville
26.0%	Appleton
28.0%	Menasha

Source: Zillow

Another important variable for assessing a locality’s housing market is the relationship of the median household incomes to the median home value. This is a measure of the affordability of a locality’s homes given the incomes of the households that live in them. Expressed as a percentage, the higher the percentage that the median income is of the median home value, the more affordable are the homes (Table 9). The more affordable homes are, the more likely their owners will be able to withstand hard times and foreclosure.

Table 9 - Home Affordability in the Appleton MSA

Geographic Area	Percent Median HH Income to Median Home Value
Appleton MSA	36.9%
Wisconsin	30.5%
United States	27.6%
Source: U.S. Census Bureau, 2010 data	

The median household income in the Appleton MSA equals 36.9% of the MSA’s median home value. This is 134% higher – higher is better-- than the rate for the USA, 27.6%, and 121% higher than that for Wisconsin, 30.5%.

The project team drove throughout the Appleton MSA and noted that housing was being built in several locations, such as a multi-unit building recently completed in Chilton and multi-unit projects underway on Appleton’s riverfront and Lake Park Road in the southeast corner of Appleton. In our conversations with a developer, a banker and a municipal economic development official, there was a strong consensus that the housing market had finally bottomed out, though no one was expecting a sudden housing boom to now begin. But, still, there was the feeling that the tide had turned. There were also comments regarding the current doldrums in the single family housing market and the vibrancy of the multi-unit housing developments, many of which are also mixed-use. One local housing expert summarized the market by making these major points:

- The single family housing market now is almost paralyzed.
- Multi-units are where the action is.
- The housing bust of the Great Recession has made rentals more popular. Rentals are seen as far less risky, especially to all of the Metro’s new, Great Recession induced, deliberate consumers.
- The market for homes priced under \$150,000 is now very active, almost “hot”. There is some action in the \$150,000 to \$300,000 home market, but the \$300,000+ homes now are very hard to sell.
- Developers still are having a tough time getting loans for new projects and this is holding more housing developments back.

Future Outlook

In July 2012, the Wisconsin Department of Revenue published projections on employment and personal income that are encouraging (Table 10).

Table 10 - Appleton MSA & Wisconsin Employment and Personal Incomes Forecasts (2012-2015)

	2012	2013	2014	2015	2012-2015
Employment (Thousands)					
Appleton MSA	119.1	121.0	122.9	125.0	5.9
% Change	2.3%	1.6%	1.6%	1.7%	4.9%
Wisconsin	2,765.2	2,813.3	2,858.5	2,905.3	140.1
% Change	1.0%	1.7%	1.6%	1.6%	5.1%
Personal Income (Billions of Dollars)					
Appleton MSA	9.15	9.57	9.99	10.41	1.26
% Change	2.4%	4.5%	4.4%	4.2%	13.8%
Wisconsin	235.5	245.0	256.3	268.0	32.5
% Change	2.9%	4.1%	4.6%	4.6%	13.8%
Source: "Metropolitan Statistical Areas of Wisconsin" July 2012					
Wisconsin Department of Revenue Division of Research & Policy					

Employment in the Appleton MSA is forecasted to increase annually between 2012 and 2015 for a total increase of 4.9%. This is just slightly lower than forecasted employment increase for the state of 5.1%. Personal incomes should also increase in the Appleton MSA during this time period by 13.8%, the same as the state. Higher employment and higher personal incomes should stimulate increased housing demand and additional consumer spending overall.

The statistics presented in the tables above, our interviews with local experts and our field observations all support the conclusion that the economic recovery of the region in which the Village of Sherwood is located, in terms of the key variables of employment and housing, now appears to be on a slow-paced and probably sputtering trajectory toward economic recovery. These conclusions are also consistent with those expressed by the firms responding to the Fox Cities’ survey. Everywhere we looked, the yearning is for the pace to quicken and for the trajectory to be both clearer and more certain. Hopefully, the recent forecasts by the Department of Revenue are signs that the pace of recovery is quickening as well as becoming more consistent.

Sherwood’s Assets & Liabilities as a Business Location

An underlying goal behind this market research project is to assess the potential for additional economic growth within the Village of Sherwood. In pursuit of that goal it is very useful to identify and assess the Village’s assets and liabilities as a business location, several of which are summarized below.

Strong Population Growth

A widely accepted axiom is that “retail follows roofs.” Retailers need certain population levels nearby in order to succeed. Communities in different population categories will attract different kinds of retailers.¹³

¹³ Bill Ryan, Beverly Stencil, and Jangik Jin, "Retail and Service Business Mix Analysis of Wisconsin's Downtowns," Center for Community & Economic Development, University of Wisconsin - Extension Staff Paper, Sept. 1, 2010.

Retailers are also attracted to communities with strong population growth. Sherwood’s population grew by 85% between 1990 and 2000 and then by another 75% between 2000 and 2010. Its growth has been substantially stronger than that of Wisconsin, the Appleton MSA and the vast majority of nearby communities (see Table 11).

Table 11 - Population Growth in Sherwood vs. Nearby Communities, Calumet Co., Appleton, and WI (2000-2010)

Jurisdiction	Population 2000	Population 2010	% Delta '00-'10
Sherwood	1,550	2,713	75%
Harrison	5,750	10,839	89%
Stockbridge (t)	1,383	1,456	5%
Calumet Cty	40,631	48,971	21%
Appleton MSA	201,802	225,666	12%
Wisconsin	5,363,675	5,686,986	60%

Source: U.S. Census Bureau

The exception is its neighbor, Harrison, whose population increased 89% between 2000 and 2010. However, Harrison’s growth also benefited from annexation. Overall, the combined growth in Harrison and Sherwood accounted for most of the population growth in Calumet County.

Population growth usually requires the construction of new housing. As can be seen in Table 12, between 2000 and 2005 there were 379 new housing units constructed in Sherwood at a reported cost of about \$62.9 million. As might be expected, the Great Recession appears to have had its impact – between 2006 and 2011 only 60 new units were constructed at a cost of about \$12.8 million. Also, there are about 125 cleared properties zoned for housing and ready for construction in Sherwood, but no real activity. Because the housing in Sherwood is so overwhelmingly single family, its new housing construction may have been more adversely impacted than in other communities in the region, which have benefitted from more multi-unit construction.

Table 12 - Sherwood Building Permit Data (2000-2005) vs. (2006-2011)

	Total Permits/bldgs	Total housing Units	Single Family	Duplex	Commercial	Costs
2000-2005	376	379	376	3	0	\$ 62,871,310
2006-2011	61	60	60	0	4	\$ 12,836,078

Sources: Village of Sherwood, Census Bureau

However, on other dimensions Sherwood’s housing market is in a better position than its potential competitors to quickly participate in any major sector rebound. For example, it has a low vacancy rate compared to nearby towns and villages, the Appleton MSA and the State (see Table 13). Also, as was mentioned earlier, Sherwood’s rate of underwater mortgages is among the lowest in the region and the State.

Table 13 - Housing Occupancies/Vacancies in the Convenience Trade Area (2010)

CTA and Component Jurisdictions	Total housing units	Percent Occupied housing units	Percent Vacant housing units	Occupied housing units	Percent Owner-occupied housing units	Percent Renter-occupied housing units
7.2% of Harrison Town	274	95.9	4.1	262	93.6	6.4
Sherwood Village	1,027	96.0	4.0	986	93.9	6.1
Stockbridge Village	348	83.9	16.1	292	85.3	14.7
Stockbridge town	704	82.5	17.5	581	93.1	6.9
Woodville town	352	95.7	4.3	337	90.8	9.2
CTA Totals - % avgs	2,705	90.9	9.1	2,458	92.2	7.8
Appleton MSA	92,844	95.0	5.0	88,223	73.5	26.5
Wisconsin	2,624,358	86.9	13.1	2,279,768	68.1	31.9

Source: U.S. Census Bureau, 2010 data

Sherwood and the surrounding towns and villages score higher on the housing affordability measure than the Appleton MSA, the state or the nation (See Table 14).

Table 14 - Residential Home Affordability in Sherwood and the Convenience Trade Area (2010)

Geographic Area	Percent Median HH Income to Median Home Value
Sherwood Village	44.4%
7.2% Harrison Town	39.0%
Stockbridge Village	41.1%
66.7% Stockbridge Town	33.6%
Woodville Town	38.0%
Convenience T.A. Total	40.9%
Appleton MSA	36.9%
Wisconsin	30.5%
United States	27.6%

Source: U.S. Census Bureau, 2010 data

However, Sherwood’s housing is not inexpensive. As can be seen in Table 15, Sherwood’s housing costs are substantially higher than those in Kaukauna, Neenah, Wrightstown, Little Chute, Appleton, Chilton, and Stockbridge. But they are considerably lower than those in the more distant Hobart and Cedarburg. Sherwood’s overall cost of living is relatively high, but off set by high household incomes.¹⁴

¹⁴ The Village of Sherwood has a cost of living index of 100, which is equal to the national average. The cost of living index is a number used as the total of all living expense categories. The categories used to determine the index include housing, food and groceries, transportation, utilities, health care, and miscellaneous expenses such as clothing, services and entertainment. The national average for cost of living index is 100. Sherwood has an overall index of 100. The table compares Sherwood to the other suburban communities in Wisconsin.

Table 15 - Sherwood's Cost of Living vs. Other Communities

Jurisdictions	Cost of Living Indexes						
	Overall	Food	Housing	Utilities	Transport'n	Health	Misc.
Sherwood	100	89	101	108	106	107	99
Kaukauna	93	86	74	108	106	109	102
Neenah	92	89	72	107	105	108	98
Wrightstown	96	87	91	107	104	109	97
Little Chute	95	86	80	108	106	109	102
Appleton	95	86	80	108	106	109	102
Chilton	91	89	70	108	106	107	99
Stockbridge	97	89	91	108	106	107	99
Hobart	108	87	132	107	104	109	97
Cedarburg	110	93	143	104	95	112	95
Data n the Town of Harrison was not available.							
100=national average				Source: http://www.bestplaces.net			

Sherwood’s economic growth and well-being has been dependent on population growth and it probably will continue to be so in the future. For example, adding 500 to 1,500 people to its population may enable the attraction of some businesses that will add to its quality of life without significantly altering the scale of the village or threatening its small town image.

To gauge the possibility of future population growth, the project team looked at the population projections presented in Sherwood’s 2008 Comprehensive Plan. The Plan presented three results based on three different methodologies. We measured their accuracy in forecasting the populations in 2010 of Sherwood, Stockbridge town, Stockbridge, village, Woodville, Harrison, and Calumet County. The results are presented in Table 16.

Table 16 - Accuracy of 2010 Population Projections for Sherwood, Stockbridge Town, Stockbridge Village, Woodville, Harrison, and Calumet County by F & VD, WDOA and ECWRPC

Type of Data	Sherwood	Stockbridge T	Stockbridge V	Woodville T	Calumet Cty	Harrison
2010 Census Population	2,713	1,456	636	980	48,971	10,839
F&VD Linear units projections	1,794	1,399	648	925	43,975	5,724
+/- % Error from Actual	51%	4%	2%	6%	11%	89%
WDOA Pop Forecast	1,990	1,460	687	919	47,398	8,941
+/- % Error from Actual	36%	0%	8%	7%	3%	21%
ECWRPC Pop Forecast	2,677	1,494	724	917	49,146	11,937
+/- % Error from Actual	1%	3%	12%	7%	0%	9%

The forecasts generated by the East Central Wisconsin Regional Planning Commission (ECWRPC) proved to be the most accurate.

In Table 17, the Census Bureau 2010 populations for Sherwood and some other county subdivisions are subtracted from the ECWRPC’s projections for 2020 to produce estimates of 2010-2020 population increases. These estimates are then recalculated to reflect an error factor of +/- 10%. According to these calculations Sherwood would have between 461 and 563 additional residents by 2020 if the ECWRPC projections hold true.

Table 17 - 2020 Population Forecasts for County Subdivisions in Sherwood's Convenience Trade Area

Type of Data	Sherwood	Stockbridge T	Stockbridge V	Woodville T	Harrison part*	Totals
Census pop 2010	2,713	1,456	636	980	780	6,565
ECWRPC Forecast 2020	3,225	1,519	717	839	861	7,161
2010-2020 Increase	512	63	81	-141	80	595
Suggested Expected Range of Increase: +/- 10%						
Low	461	57	73	-127	72	536
High	563	69	89	-155	88	655
Source: Based on 2010 Census data and ECWRPC's projections for 2020					* DANTH calculation	

Existing Business Conditions

What businesses are there now and how are they doing? These are two of the most frequently asked questions by business prospects when looking at potential new business locations. There is a famous saying that retailers are like sheep – they like to herd. Businesses in general usually like being close to other businesses, especially those who attract a lot of customers or that provide critical supplies. Learning that businesses are doing well at a location helps validate the value of that location in the minds of business prospects looking for new locations.

Perhaps the best way to look at Sherwood’s economic activity is by looking at the jobs that are located in Sherwood by their industry. The census data in Table 18 are from 2010 and though some changes may have occurred since, we believe they still reflect the overall situation. Food services are the largest sector by employment with 22 jobs, followed by “public administration” with 12 and health care/social assistance with 12. Wholesaling is next with 9 and retail has just 9 jobs. The FIRE industries have 7 and information and the professionals combined also have 7.

Table 18 - Jobs in Sherwood by Industrial Sector

Total Primary Jobs	Count	Share
	104	100%
NAICS Industry Sector	Count	Share
Agriculture, Forestry, Fishing and Hunting	0.0	0.00%
Mining, Quarrying, and Oil and Gas Extraction	0.0	0.00%
Utilities	0.0	0.00%
Construction	7.0	6.70%
Manufacturing	0.0	0.00%
Wholesale Trade	11.0	10.60%
Retail Trade	9.0	8.70%
Transportation and Warehousing	1.0	1.00%
Information	4.0	3.80%
Finance and Insurance	2.0	1.90%
Real Estate and Rental and Leasing	4.0	3.80%
Professional, Scientific, and Technical Services	3.0	2.90%
Management of Companies and Enterprises	1.0	1.00%
Administration & Support, Waste Management and Remediation	4.0	3.80%
Health Care and Social Assistance	12.0	11.50%
Educational Services	0.0	0.00%
Arts, Entertainment, and Recreation	3.0	2.90%
Accommodation and Food Services	22.0	21.20%
Other Services (excluding Public Administration)	8.0	7.70%
Public Administration	13.0	12.50%
Source: Census Bureau, OnTheMap, Work Area Profile Reports, 2010		

The total number of jobs in Sherwood is 104. As can be seen in Table 19, this is very low compared to four other jurisdictions that have been selected because they have a grocery store, their populations are close to Sherwood's, and they are in a MSA. Sherwood's low daytime worker population is probably due to commercial activity lagging behind population growth and the recession further impeding commercial growth. Whatever the reason, fewer workers means fewer daytime customers for local businesses, less visible customer traffic that can interest other firms in Sherwood locations, and fewer firms that can rent spaces and buy and sell things locally.

Table 19 - A Comparison of Daytime Worker Populations in Sherwood and Comparable Communities

Jurisdiction	Populations	Workers in Town	Pop/wrkr
Sherwood, village	2,713	104	26.1
Wrightstown, village, all	2,827	1,984	1.4
Winneconne, village	2,383	506	4.7
Mondovi, city	2,777	640	4.3
Wales, village	2,549	869	2.9
Source: Census Bureau, OnTheMap, Work Area Profile Reports, 2010			

In terms of business mix Sherwood has few retail chains. The Mobil gas station has a c-store and a Subway counter inside. There is a general merchandise store, but it is very small for this category and lacks signage to indicate to passersby what it is. One shop sells lawn and garden items, well suited for a

bedroom community on the edge of a metro area. There is a specialty bakery operation and during warmer months a popular soft ice cream store.

Many of the businesses reportedly get most of their revenues from non-Sherwood customers. The food service operators, in personal interviews and at a focus group, reported getting between 50% to 85% of their revenues from customers who lived outside of Sherwood. Customers from Hilbert, Stockbridge, Chilton and Darboy are to be expected, but they also reported drawing from such distant places as Neenah and Kaukauna. High Cliff Studio is where sculpted glass bowls are made, but then shipped to galleries across the nation that sells them to the public. It makes no local sales. From Zero to 60 draws the vast majority of its customers from across the region.

While most businesses we spoke to were hurt by the recession, there were a few who were looking to expand and others gave the impression that, recession aside, they normally do quite well in Sherwood.

A Desirable Place to Live

Another striking finding from our interviews and focus groups was how many of the business owners selected Sherwood as the location for their firm because their family lived there, they lived nearby or they wanted to live in Sherwood or its environs. This suggests that Sherwood's desirability as a place to live may be successfully leveraged to bring in new businesses. While economic development experts in the past have argued that people go to live near where the jobs are, more recently experts such as Richard Florida and Joel Kotkin have argued that knowledge workers and creative types go to live where they feel the quality of life characteristics can match their lifestyles and then firms follow to capture these talented labor pools. On a more prosaic level, DANTH's recruitment efforts in the Northeast has found that a lot of large corporations moved their headquarters to suburban locations that were close to their CEO's homes and that the owners of many small manufacturing operations who were looking for new spaces preferred sites within short drives from their homes.

But, right now, Sherwood lacks a real business magnet that draws a lot of customers – and that can thereby attract other firms to Sherwood. In towns of Sherwood's size, grocery stores and supermarkets usually can best provide that gravitational pull for customers because the average household makes about 2.2 trips to a grocery store each week and about 62% of the grocery shoppers will also shop in other stores on the same trip.

Favorable Demographics

Sherwood's population includes families with children, the well-educated, and those with relatively high incomes. Business prospects, especially if they are corporate, will want to know about the customers they can tap from a potential location in Sherwood. Table 20 presents key demographic data from the 2010 census for Sherwood, Harrison, the Appleton MSA and Wisconsin. It also presents data on what we call Sherwood's Convenience Trade Area (CTA), which includes Sherwood, Woodville, Stockbridge Village and parts of Harrison and Stockbridge town. How this trade area was constructed will be detailed in a later chapter of this report.

Table 20 - Key Sherwood Demographic Characteristics Compared to Harrison, the CTA, Appleton MSA, and WI

Demographic Characteristic	Type	Sherwood (Village)	Harrison Town*	Convenience Trade Area	Appleton MSA	Wisconsin
Total population	Number	2,713	10,839	6,081	225,666	5,686,986
Total population under 5 years %	Percent	8.1	8.5	6.8	6.7	6.3
Total population median age	Number	40.0	35.2	41.1	37.4	38.5
Total population 65 years and over	Percent	10.2	6.9	11.7	11.7	13.7
Total households	Number	986	3,644	2,265	88,223	2,279,768
Total households family households	Percent	84.2	83.8	80.6	68.9	64.4
Family households, children under 18 yrs	Percent	38.9	48.5	35.0	32.5	28.4
Total households average household size	Number	2.8	3.0	2.7	2.5	2.4
Total housing units	Number	1,027	3,801	2,470	92,844	2,624,358
Total housing units-vacant	Percent	4.0	4.1	8.3	5.0	13.1
Occupied housing units-owner occupied	Percent	93.9	93.6	92.2	73.5	68.1
Nursery school, preschool	Estimate	71	169	113	3294	78379
Nursery school, preschool	Percent	10.2	5.6	8.4	5.7	5.3
Bachelor's degree	Percent	35.1	27.8	28.6	18.9	17.1
Bachelor's degree or higher	Estimate	765	2,364	1,225	37,451	964,412
Percent bachelor's degree or higher	Percent	46.5	37.5	38.0	25.7	25.7
Mean travel time to work (minutes)	Estimate	23.5	19.1	24.7	19.4	21.3
Management, business, science, and arts occupations*	Percent	47.3	46.3	38.4	32.1	33.0
Service occupations*	Percent	10.2	8.8	10.7	13.9	16.1
Sales and office occupations*	Percent	27.7	20.5	21.9	25.2	24.5
Natural resources, construction,	Percent	4.8	9.2	11.4	9.4	9.2
Production, transportation, material moving	Percent	10.0	15.1	17.5	19.4	17.2
Total Employment	Number	1,286	5,407	3,076	118,777	2,869,310
Manufacturing*	Percent	25.2	26.0	26.0	23.7	18.7
Retail trade*	Percent	8.8	6.0	7.3	10.9	11.5
Information*	Percent	1.1	3.1	1.7	1.7	2.0
FIRE	Percent	6.8	8.5	5.4	7.3	6.4
Professional, scientific, management, administrative	Percent	6.7	10.4	6.9	8.0	7.6
Educational services, health care, social assistance	Percent	24.6	19.8	18.5	17.8	22.0
Arts, entertainment, recreation, accommodation, food services*	Percent	5.1	5.0	4.4	7.9	8.3
Median household income (dollars)	Estimate	\$92,723	\$82,377	\$77,646	\$57,036	\$51,598
Mean household income (dollars)	Estimate	\$107,353	\$92,365	\$89,010	\$68,476	\$65,273
Household Income \$75,000 or more	Estimate	603	2,044	1,136	30,625	704,999
Household Income \$75,000 or more	Percent	65.4	60.4	52.6	35.1	31.0
Per capita income (dollars)	Estimate	\$38,684	\$31,061	\$32,785	\$27,094	\$26,624
Median Home Value (dollars)	Estimate	\$208,700	\$212,300	\$189,679	\$154,600	\$169,000
Median HH Income to Median Home Value	Estimate	44.4%	38.8%	40.9%	36.9%	30.5%

Source: Census Bureau 2010 data

* Note: a portion of Harrison, 7.5%, is also in the Convenience Trade Area

Here are the most critical findings:

- The mean, \$ 107,353, and median, \$92,365, household incomes in Sherwood are 63% and 57% higher than those in the Appleton MSA; the mean, \$89,010, and median, \$77,646, household incomes in the CTA are 36% and 30% higher than those in the Appleton MSA.
- The percent of the age 25+ population that has a bachelor’s degree or higher in Sherwood, 46.5%, is 81% higher than in the Appleton MSA; the percent of the age 25+ population that has a bachelor’s degree or higher in the CTA , 38%, is 48% higher than in the Appleton MSA.

- Families with children under 18 account for 38.9% of Sherwood’s households, this is 20% higher than in the Appleton MSA and 37% higher than in the state.
- The percent of the population under 5, 8.1%, is 21% higher than the percentage for the Appleton MSA and 29% higher than that for the state.
- The proportion of Sherwood’s population that is over 65, 10.2% is 13% lower than the rate in the Appleton MSA and 26% lower than the state’s rate.

Harrison’s demographics, aside from population size, are very similar to those of Sherwood on incomes, families with children and education. Together, they would have a population of over 13,000. But, part of Harrison is considered part of Darboy, an area that already has a lot of retail and its residents are also significantly closer to a lot of other shopping centers to the north and west. The most difficult question in defining Sherwood’s CTA was how much of Harrison to include in it.

Commuter Traffic

Who regularly travels through Sherwood? According to WDOT, the Average Daily Traffic on WIS 114 between Castle Drive and Forest Avenue in 2007 was 10,100 and it expects that number to increase to 15,400 by 2035. Based on data obtained from the Census Bureau’s On The Map database about where workers live and work, the project team estimates that at least 1,600 Calumet County residents, aside from those living in Sherwood, probably drive through Sherwood twice a day as they commute to and from work. They probably account for about 32% of WIS 114’s ADT of 10,000. These commuters represent a significant potential market segment for convenience retailers and firms offering personal and professional services. Table 21 summarizes likely commuters through Sherwood.

Table 21 - Estimated Commuters Prone to Drive Through Sherwood

Prone by Location of Workplace to Commute Thru Sherwood				
Jurisdiction	Number of Workers	Number	% by Community	% of Commuters
Hilbert	535	264	49.35%	16.21%
Stockbridge Town	655	254	38.78%	15.59%
Stockbridge village	325	113	34.77%	6.94%
Woodville Town	477	180	37.74%	11.05%
Harrison	4,141	412	9.95%	25.29%
Chilton	1,859	327	17.59%	20.07%
New Holstein	1,300	79	6.08%	4.85%
Totals	9,292	1,629	17.53%	100.00%

Source: U.S. Census Bureau, On The Map, 2010 data, DANTh, Inc.

High Cliff State Park

Several focus group participants suggested that the users of High Cliff State Park represented an important potential market for Sherwood’s current and future merchants. Our discussion with Carolyn Morgen, the Superintendent of the park revealed that High Cliff certainly does attract a lot of visitors. By

counting the autos entering the park and estimating 3.5 persons per vehicle, the park’s management concluded that:

- In 2010 HCSP had 451,346 individual visitors who were part of 128,956 auto trips
- In 2011 the visitation dropped to 417,000 individual visitors who were part of 119,143 auto trips.

Accurately estimating how much these visitors might spend in Sherwood’s shops is not really possible because the appropriate data are not available. Dave Marcouiller, Eric Olson and Jeff Prey have done a study of how much, *at the state level*, park users spend on items related to their park trips. In a telephone conversation, Marcouiller cautioned that applying his finding to HCSP would yield findings that are not statistically valid and that should only be interpreted as “directional”. Moreover, he underscored that most of the trip associated expenditures, especially for groceries, recreational equipment, will be made regionally, probably closer to the park visitors’ homes or places of work than by the park. Much also depends on what local merchants have to offer -- a big point in the Marcouiller team’s report.

Table 22 was constructed using park trip related expenditure data from the report written by Marcouiller et al and follows his admonitions. The capture rates of 5% and 10% are not predictions, but presented to illustrate the potential impact of the regional nature of these expenditures.

Table 22 - Applying Statewide Findings About Park Users Consumer Expenditures to High Cliff State Park

CEX Category	CEX \$s/ Trip	CEX \$s/All HCSP Trips*	3% Cap Rate	5% Cap Rate
Groceries and Liquor	\$51.24	\$6,607,705	\$198,231	\$330,385
Restaurants and bars	\$32.66	\$4,211,703	\$126,351	\$210,585
Gasoline auto service	\$33.64	\$4,338,080	\$130,142	\$216,904
Lodging and hotels	\$25.48	\$3,285,799	\$98,574	\$164,290
recreational equip, bought	\$10.71	\$1,381,119	\$41,434	\$69,056
recreational equip, rented	\$3.45	\$444,898	\$13,347	\$22,245
Gifts, toys , souvenirs	\$15.18	\$1,957,552	\$58,727	\$97,878
Bait and tackle	\$3.82	\$492,612	\$14,778	\$24,631
Totals	\$176.18	\$22,719,468	\$681,584	\$1,135,973
Reported TRIPS to HCSP in 2010 = 128,956				
Source: Dave Marcouiller, Eric Olson and Jeff Prey, "State parks and their gateway communities: Development and recreation planning issues in Wisconsin"				

Whatever the consumer expenditure potentials of the HCSP’s users, they will mean nothing if merchants in Sherwood are unlikely to be able to tap them. They now face this formidable challenge: about 80% of the park’s users come from the Fox Cities and they travel to the park on STH 114 and then turn right on Pigeon Road. Pigeon Road is about 1.8 miles away from The Outpost at Castle Drive. Therefore, the overwhelming majority of the HCSP’s visitors never have to go through Sherwood and past its shops. Years ago, the primary access to HCSP was on Clifton Road in downtown Sherwood. Unless this access route can be regained, some forms of advertising and public relations will be needed to make the park users aware of Sherwood, the merchants who are there, and the goods and services they offer. An

effective effort probably will require a program by Sherwood's business community, and it will probably want to act in concert with The Friends of High Cliff State Park.

Inadequate Commercial Spaces & Nodes

There is a real need for new or rehabilitated commercial spaces. In a community of Sherwood's size, most of the businesses that can potentially be attracted will be small independent operators. National chains selling comparison shoppers goods, such as The Gap, are highly unlikely prospects. However, national and regional chains in the grocery, drugstore and food services sectors may well be interested. Attracting them will require either having commercial spaces available with the square footage, condition and rents required by these prospects or having available sites where such commercial spaces can be constructed.

Small independents will need relatively small spaces, generally below 3,000 SF, with many quite smaller than that. Small retailers generally cannot afford to pay more than 10% to 15% of their annual sales revenues for their spaces, assuming triple net rents. Most are unlikely to be able to afford the higher rents usually demanded for newly constructed spaces. Personal and professional services tend to be able to pay higher rents.

Looking at Sherwood now, it has been difficult to identify many attractive small spaces that independent merchants can now lease. The downtown node has a few buildings where they might be located, but the costs of the necessary improvements may mean higher rents and hinder recruiting the small independents. Some kind of rent subvention will probably be required to place them in new buildings. Mixed-use projects, where larger tenants and TIFs can also be brought in are probably the best format for this to occur.

A new grocery will likely require considerably larger spaces, as would a new drugstore. For example, based on our review of comparable towns, a 14,000 SF or 15,000 SF grocery store appears to be the smallest format a reputable chain is likely to put in Sherwood. The latter would also require about 60 surface parking spaces, and a total site of at least 33,000 SF. A new child care center with 120 slots will need a building of about 10,000 SF with additional outdoor play space of 15,000 SF and about 7,500 SF for parking. There are no existing spaces that can meet the requirements of these operators. A similar situation would exist for a new drugstore, even one in the 4,000 SF range.

The downtown currently lacks an appropriate site for these larger new potential uses. Assembling one becomes problematical, too, because of the traffic volume on STH 114/55, the turn from STH 114/55 to CTH M, and the other intersecting roads. We had a tough time pulling out of Shenanigan's parking lot during a weekday evening rush hour. A 15,000 SF supermarket could generate about 225 auto trips in an out of its lot on a Saturday peak hour.¹⁵ Combining that with the fast-moving traffic and the turn in the road induced poor line of sight raises safety concerns.

There is reported interest by a grocery firm in a Sherwood location and it is near Castle Drive. This area has the available land needed to build a grocery and the child care center that also is a possible part of the project. Together with the improvements to Wanick Park, the new businesses that have opened or been

¹⁵ Institute of Transportation Engineers, Trip Generation

revived in recent years, the new grocery would definitely establish Castle Drive as Sherwood's commercial center. This will, in effect, make successful commercial development even more challenging in the historic downtown area. The location of a new grocery store, because of its magnetism and the customer traffic it would generate, would immediately become the center of Sherwood's commercial activities. Retail and personal service operations looking to locate in Sherwood will want to be close to it.

A Challenged Downtown

Sherwood's downtown does not measure very highly on a number of dimensions that are critical for being a downtown. For example, downtowns are supposedly pedestrian friendly. Sherwood's downtown feels unsafe for pedestrians and bicyclists due to heavy traffic. Downtowns have dense compact development. Sherwood's often has significant spaces between buildings. Furthermore, the downtown does not have a lot of businesses and several that are there are either not open until late afternoon, open only a few months of the year, or do not sell to local shoppers.

In terms of redevelopment potential, many of the downtown's buildings lack either historical or architectural distinction that could be leveraged in such an effort. Finally, many small downtowns have very visible popular community spaces, like a park, square or village green, that are symbols of their community and where locals go to socialize with family and friends. Sherwood now lacks such a vital public space.

A comparatively large amount of economic activity will have to be brought into the current downtown area to actually enable it to function as a real downtown. The current commercial growth potentials – which will be detailed below -- may not be enough to fill both the Castle Drive/Wanick Park commercial node and the downtown at the same time. Consequently, it may be time to ask whether or not it would be better to rethink, re-task and rebrand Sherwood's current "downtown" to something akin to an Old Village or Old Town making it more attractive and more successful economically through a diversified approach. Such an approach may depend less on retail and personal services and, at least early on, more on community/public functions and residential development, with some additional commercial activity mixed in. It also will probably depend on a good plan, ample patience and resources, and 10, even 15 years to implementation. There is no quick fix.

Strong Competition

Another question that business prospects usually ask when looking at a potential new location for their firms is how much competition is close by and how strong it is. The competitive situation for a grocery store in Sherwood is of special interest because it would drive so much of the traffic that other nearby Sherwood merchants could benefit from. To a significant degree the grocery store's trade area will also be their trade area. Indeed, one traditional approach to defining a downtown's trade area is to identify the strongest retail traffic generators and to identify their trade areas. In smaller towns, the grocery store is usually that magnet store.

Table 23 focuses on the competition that a new grocery store would face if it located in Sherwood that is within 10 miles of Castle Drive and WIS 114. It also compares that competition in terms of size and distance to grocery stores in Wales, Winneconne, Wrightstown and Mondovi. These towns have populations similar to Sherwood's and all are in a MSA. The data suggest that a Sherwood grocery store would face considerably stronger competition:

- For example, a 15,000 SF Sherwood grocery would face 12 other major groceries, with an estimated total of 582,000 SF who are, on average, about 7.4 miles away from Castle Drive/114.
- In Wales, a 60,000 SF Pick 'n Save, a larger and stronger grocery, also faces 12 competitors who have a combined square footage of 545,000 SF and who are, on average, 6.5 miles away from the Pick 'n Save, the 28,000 SF Piggly Wiggly in Winneconne faces 7 competitors who have a combined total of 327,000 SF and are, on average, 9.3 miles away.
- Dick's Family Foods in Wrightstown has about 14,000 SF and faces 9 competitors who have a total of 403,000 SF and are, on average, 8.4 miles away.
- Though Wales is in a MSA, the 15,000 SF SuperValu located there faces a pattern of competition that geographically seems more rural than the others. Its two competitors have an estimated total of 166,000 SF and are each 22 miles away.

Table 23 Competition in Similar Community Grocery Store Markets (Stores within 10 mile drive)

Town	Grocery Store			Sales Assumptions :		Distance
	In Town	All Stores within 10 Miles	Size (S.F.)	@ \$450/SF	@ \$550/SF	from Community
Sherwood		Piggly Wiggly, Kaukauna	42,000	18,900,000	23,100,000	6 miles N
		Wal-Mart, Appleton	90,000	40,500,000	49,500,000	6 miles NW
		Pick n Save, Appleton	58,000	26,100,000	31,900,000	6 miles NW
		Aldi, Appleton (2)	15,000	6,750,000	8,250,000	6 miles NW
		Larry's Piggly Wiggly, Little Chute	45,000	20,250,000	24,750,000	7 miles N
		Festival Foods Appleton	29,000	13,050,000	15,950,000	7 miles NW
		Pick n Save, Kimberly	59,000	26,550,000	32,450,000	7 miles NW
		Save-a-Lot, Little Chute	20,000	9,000,000	11,000,000	7miles N
		Coops, Appleton-W Calumet	65,000	29,250,000	35,750,000	9 miles NW
		Piggly Wiggly, Menasha	66,000	29,700,000	36,300,000	9 miles NW
		Coops, Appleton-N. Ballard	60,000	27,000,000	33,000,000	9 miles NW
		Piggly Wiggly, Appleton-Northland	33,000	14,850,000	18,150,000	10 miles NW
	Competition Totals	582,000	261,900,000	320,100,000	Average: 7.4 miles	
Wales	Pick n Save		60,000	27,000,000	33,000,000	-
		Wal-Mart, Delafield	90,000	40,500,000	49,500,000	4 miles north
		Sentry, Delafield	55,000	24,750,000	30,250,000	4 miles north
		Sentry, Waukesha Meadowbrook	55,000	24,750,000	30,250,000	5 miles east
		Sentry, Waukesha St. Paul Ave	30,000	13,500,000	16,500,000	6 miles east
		Supervalu, Waukesha	15,000	6,750,000	8,250,000	6 miles east
		Pick n Save, Waukesha	55,000	24,750,000	30,250,000	6 miles east
		Piggly Wiggly, Heartland	33,000	14,850,000	18,150,000	7 miles north
		Wal-Mart, Waukesha	90,000	40,500,000	49,500,000	7 miles east
		Aldi, Oconomowoc	16,000	7,200,000	8,800,000	7 miles northwest
		Pick n Save, Pewaukee	50,000	22,500,000	27,500,000	7 miles northeast
		Aldi, Waukesha	16,000	7,200,000	8,800,000	9 miles east
		Piggly Wiggly, Oconomowoc	40,000	18,000,000	22,000,000	10 miles northwest
	Competition Totals	545,000	245,250,000	299,750,000	Average : 6.5 miles	
Winneconne	Piggly Wiggly		28,000	12,600,000	15,400,000	-
		Piggly Wiggly, Omro	22,000	9,900,000	12,100,000	8 miles south
		Festival Foods, Oshkosh	70,000	31,500,000	38,500,000	8 miles southeast
		Wal-Mart, Oshkosh	90,000	40,500,000	49,500,000	9 miles southeast
		Pick n Save, Oshkosh	44,000	19,800,000	24,200,000	10 miles southeast
		Piggly Wiggly, Oshkosh	25,000	11,250,000	13,750,000	10 miles southeast
		Target, Oshkosh	60,000	27,000,000	33,000,000	10 miles southeast
		Aldi, Oshkosh	16,000	7,200,000	8,800,000	10 miles southeast
	Competition Totals	327,000	147,150,000	179,850,000	Average: 9.3	
Wrightstown	Dick's Family Foods		14,000	6,300,000	7,700,000	-
		Piggly Wiggly, Kaukauna	38,000	17,100,000	20,900,000	7 miles southwest
		Larry's Piggly Wiggly, Little Chute	36,000	16,200,000	19,800,000	7 miles southwest
		Wal-Mart, De Pere	90,000	40,500,000	49,500,000	8 miles northwest
		Save a Lot, Little Chute	20,000	9,000,000	11,000,000	8 miles southwest
		Freedon Foods, Kaukauna	10,000	4,500,000	5,500,000	8 miles northwest
		Festival Foods, De Pere	63,000	28,350,000	34,650,000	9 miles northeast
		Pick n Save, Kimberly	46,000	20,700,000	25,300,000	9 miles southwest
		Festival Foods, Appleton	70,000	31,500,000	38,500,000	10 miles southwest
		Piggly Wiggly, DePere	30,000	13,500,000	16,500,000	10 miles northeast
	Competition Totals	403,000	181,350,000	221,650,000	Average: 8.4 miles	
Mondovi	SuperValu		15,000	6,750,000	8,250,000	-
		Wal-Mart, Eau Claire	90,000	40,500,000	49,500,000	22 miles northeast
		Festival Foods, Eau Claire	76,000	34,200,000	41,800,000	22 miles northeast
		Competition Totals	166,000	74,700,000	91,300,000	Average: 22 miles

Source: Google Maps and industry research

Retail Gravity

Table 24 compares the “breakpoint” coefficients produced by the equation formulated by William Reilly to measure the impacts of retail gravity on the trade area boundaries of two nearby stores, shopping centers, store clusters, or even towns.¹⁶ The idea of retail gravity basically incorporates two widely held axioms about shopper behavior, that their decision about where they will shop is determined by how close they are to a shopping venue (distance), and also by how much variety each venue has to offer, which can be measured by square footage, sales or number of stores. The breakpoint is the distance between two potential competitors beyond which a shopper would be inclined by retail gravity to go to one of the two competitors.

Table 24 - Retail Gravity Indicators for Grocery Stores in Wrightstown and Sherwood

Wrightstown - Dick's Family Market - 15,000 SF				
Direction	Est SF	Avg Distance	# mkts	Reillys C
SW	210,000	8	5	1.7
NE	93,000	10	2	2.7
NW	100,000	9	2	2.5
Totals/Avg	403,000	9	9	2.3
Sherwood - Potential Market - 15,000				
Direction	Est SF	Avg Distance	# mkts	Reillys C
N	107,000	7	3	1.8
NW	997,000	7	9	0.8
E	33,000	13	1	5.4
S	100,000	16	2	4.5
Totals/Avg	1,237,000	11	15	3.1

The concept of retail gravity is being presented as a rough guide. While it does provide some important insight, there are many other factors impacting on consumer decisions about where to shop. For example, many consumers will travel longer distances to shop in stores they really prefer, while others will shop in stores beyond a break point because their commute takes them past these stores twice a day, five times a week.

Looking at Table 24, for instance, the breakpoint between a grocery in Sherwood at Castle Drive and the cluster of groceries to the north is 1.8 miles – just about the distance to Pigeon Drive. The implication is that people who are located within 1.8 miles of a Sherwood grocery store – be they residents, workers or visitors – would be very inclined to go grocery shopping there. Those 1.9 miles away would tend to go to the one of the larger groceries further north. Looking to the northwest, the breakpoint is just 0.8 miles.

¹⁶ Jerry Huff has a more sophisticated formula determining the break points based on probability. However, Reilly's, however, is easier to understand and therefore better suited to the heuristic character of this discussion.

Most of Harrison's residents live beyond 1.8 miles away. This suggests that retail gravity, while not the determining factor, would nevertheless be a strong force hindering the ability of a Sherwood grocery to attract shoppers from Harrison.

Wrightstown's breakpoints are overall shorter than Sherwood's because the competition to the east and south of Sherwood is more distant. This suggests that the market area for a Sherwood grocery should look to capture shoppers from the more rural communities. Wrightstown's strongest competitors, based on size, are to the southwest and its breakpoint is 1.7 miles. Sherwood's strongest competition is to the northwest and has a breakpoint of 0.8 miles.

The competition for comparison-shopping goods, such as apparel, furniture and home furnishings, electronics, and appliances, located in the 1.2 million square foot Fox Valley Mall, Kohl's, Target, Best Buy and Wal-Mart, are also to the north and northwest. The geographic pulls of both the grocery stores and the comparison-shopping stores reinforce each other.

An Unbalanced Local Roadway Network

An effective transportation system is critical to local development. It provides business access and makes parcels attractive for development. It creates linkages and connectivity between existing neighborhoods and commercial nodes. It provides alternative routes within a community and alternative modes of travel including safe biking and walking routes.

Most of the local roadway network within the Village of Sherwood is not currently balanced with respect to the local needs for the area. Rapid growth over the past two decades, as well as changing land uses, has induced local traffic and trips onto STH 55/114. Improvements to the local transportation network have not kept pace, which has created a lack of local roadway circulation and functionality. This has put an overwhelming burden on the section of STH 55/114 that travels through the Village of Sherwood, unnecessarily contributing to traffic safety concerns and weakening the potential for retail and other types of commercial development.

One single corridor (STH 55/114) cannot be relied upon to serve the Village by itself. Therefore, a local transportation plan needs to be developed and planned for in the short-term to accommodate a variety of short-term and long-term needs. If the Village does not address the transportation issue pro-actively, efforts to redevelop the historic downtown area will be severely compromised. Anticipated commercial growth in the Wanick Park/Caste Drive area will exacerbate the current shortcomings of the existing system. Finally, further delay in addressing local transportation issues will limit the Village's future options in terms of influencing the timing, location, and design of STH 55/114.

See the appendices for additional transportation information.

Market Analysis

Findings from the market analysis are provided below, including a summary of market potentials for residential, office (including professional services), childcare, and several retail market segments. Qualitative results have been refined based on the specific characteristics of Sherwood, including its unique trade area and an in-depth analysis of population forecasts and other key trends impacting market potentials.

Residential

Why additional residential growth will still be important.

Sherwood, during the 2000s, was a very fast growing bedroom community on the edges of the Appleton MSA. That growth has begun to attract more interest in the community as a business location. That, in turn, could result in more and better stores that improve the local quality of life and further enhance the community as a residential location. It also could further increase the village's attractiveness as a business location. Furthermore, more residential density may be the most effective economic engine for revitalizing the Village's languishing old downtown.

Is Sherwood, with its rural character and housing dominated by single-family homes, still the type of place Americans are looking for when choosing a neighborhood?

As described in an earlier chapter of this report, the pattern of housing construction and sales across the nation and in the Appleton region appears to have shifted significantly to multi-unit buildings. However, a large and well conducted national survey completed in March 2011 for the National Association of Realtors found that many Americans still had attitudes and preferences associated with choosing suburban, small town and rural places to live –places like Sherwood. Quoting from that report:

“Americans consider many factors when choosing a neighborhood. Key among these are space or privacy and convenience, although the quality of public schools plays an important role for many. (The) top factors when selecting a neighborhood are:

- Privacy from neighbors: 87% of respondents felt it was important; 45%, very important
- Being within a 30-minute commute to work (78% important; 36% very important)
- Sidewalks and places to take walks (77%; 31%).”¹⁷

Sherwood certainly provides its residents with privacy from their neighbors, the average commute to work is 23.5 minutes, and there are ample and attractive places to take walks. The survey also found that living in an area that is “away from it all” (53%, important) is appealing for more Americans than one that is “in the center of it all” (34%).”¹⁸ Respondents were asked:

“If you could choose where to live, in which type of the following locations would you most like to live? City – downtown, with a mix of offices, apartments, and shops; City – more residential neighborhood; Suburban neighborhood with a mix of houses, shops, and businesses; Suburban neighborhood with houses only; Small town; or Rural area?”

The responses from Midwestern respondents were:

- 8% preferred downtowns and 12% city residential areas
- 26% opted for mixed use suburbs and 11% housing only suburbs
- 19% preferred small towns and 23% rural areas.

¹⁷ Belden Russonello & Stewart LLC, “The 2011 Community Preference Survey: What Americans are looking for when deciding where to live”, Analysis of a survey of 2,071 American adults nationally Conducted for the National Association of Realtors. March 2011, p. 17

¹⁸ *ibid.* p. 19

Significantly, for Sherwood, the survey also asked respondents about the type of housing they preferred: 81% of the Midwestern respondents preferred single-family houses, 6% single family attached or townhouses, and 9% apartments or condominiums.

How the attitudinal preferences of potential home buyers play out against the brick and mortar trend towards multi-unit projects leading housing growth probably will have a significant impact on Sherwood's future. It may well be that the problems associated with the single family market and home ownership are what is now making it easier for multi-unit projects to be built, not consumer preferences. For example, many banks are still dealing with foreclosed single-family homes and are loath to finance new construction for similar homes. Also, some experts are advancing the argument that many single family homeowners are now "equity poor" and as a result they have stopped the long tradition of Americans using their home equity to make the down payment on larger and more expensive homes.¹⁹

It also may be that Sherwood will want to attract some multi-unit projects for sites in or within easy walking distance of its old downtown. Successful downtowns require a certain amount of population density and the multi-unit projects can help provide it in Sherwood. For example, such a project located on Military Road between The Granary and the intersection with STH 114/55 could place a significant number of new residents within about a 6 or 7-minute walk of the downtown. It would also be a convenient walk to the nearby golf course. Other downtown multi-unit projects might be sited near American Legion Park or set back from the road noise on STH 55/114. Other multiunit development might well go near the golf course in the High Cliff area.

These units would all be market-rate. In many other communities across the nation they offer a lot of amenities such as granite countertops, high quality appliances, cat-5 and coaxial wiring, fitness rooms and pools, and sometimes even concierge services.

Projections and Forecasts

To investigate the potential for housing growth in Sherwood, the project team looked for relevant forecasts and projections and tried to assess their utility. In Table 25 we assess the accuracy of the methodologies for forecasting housing units and households that were presented by Foth in Sherwood's Comprehensive Plan. Benchmarked against the 2010 Census, the Foth & Van Dyke (F&VD) permit forecasting approach was the most accurate for housing units. ECWRPC's B methodology was most accurate for predicting the number of households in 2010.

Sherwood's housing units and households kept closely in step 2010, with just a difference of 41 between the number of housing units, 1,027, and the number of households, 986 (See Table 25).

¹⁹ See Alison Rogers, "From Underwater to 'Equity Poor': Why the Housing Market Isn't Recovering Faster", TIME, July 25, 2012, <http://ti.me/OmzB89>

Table 25 - A Comparison of Forecasts/Projections of the Numbers of Housing Units and Households in 2010 with Census Findings For That Year in Sherwood, Stockbridge Town, Stockbridge Village, Woodville and Calumet County

Type of Data	Sherwood	Stockbridge T	Stockbridge V	Woodville T	Calumet Cty	Totals -% avg
2010 Census housing units	1,027	704	348	352	19,965	22,396
F&VD Linear units projections	861	653	341	350	19,051	21,256
+/- % Error from Actual	16%	7%	2%	1%	5%	6%
F&VD Building Permit Forecast*	1,049	718	356	382	19,664	22,169
+/- % Error from Actual	2%	2%	2%	9%	2%	3%
2010 Census:Households	986	581	292	337	18,265	20,461
ECWRPC Forecast A	1,008	563	307	323	18,369	20,570
+/- % Error from Actual	2%	3%	5%	4%	1%	3%
ECWRPC Forecast B	996	551	298	310	18,074	20,229
+/- % Error from Actual	1%	5%	2%	8%	1%	3%
WDOA HH Forecast	915	549	289	317	17,764	19,834
+/- % Error from Actual	7%	6%	1%	6%	3%	5%

Source:Foth Infrastructure & Environment, LLC , Village of Sherwood Year 2030 Recommended Comprehensive Plan, 2008

*F&VD= Foth & Van Dyke; ECWRPC= Eastern Wisconsin Regional Planning Commission; WDOA= Wisconsin Dept. of Administration

In Table 26, we subtract the number of Sherwood housing units found by the Census Bureau in 2010, 1,027, from the number of units forecasted for 2020 by F&VD, 1,506, to estimate the possible growth in units between 2010 and 2020, 477. We do a similar calculation with households, to estimate an increase between 2010 and 2020 of 472. The fact that two separate estimation processes came up with estimates that are very close adds to our confidence in them.

Table 26 - Applying the Most Accurate Forecast/Projections of Households and Housing Units to Sherwood and Other County Subdivisions in the Convenience Trade Area for 2020

Type of Data	Sherwood	Stockbridge T	Stockbridge V	Woodville T	Harrison Part	Totals
2010 Census Housing Units	1,027	704	348	352	276	2,707
F&VD Bildg Permit Forecast 2020	1,506	821	414	426	407	3,574
2010-2020 Unit Increase	479	117	66	74	132	868
Households 2010	986	581	292	337	264	2,460
ECWRPC Forecast A 2020	1,458	596	341	291	363	3,049
2010-2020 Increase	472	15	49	-46	98	588
Delta Housing Units & HHs '10	41	123	56	15	11	246
Delta in 2020 Growth Estimates	7	102	17	120	33	279
+/- 10% error ranges						
F&VD + 10% units	527	129	73	81	145	954
F&VD - 10% units	431	105	59	67	118	781
ECWRPC + 10% households	519	17	54	-51	108	647
ECWRPC - 10% households	425	14	44	-41	89	530
Recession H.U. Adjustment: High	527	129	73	81	145	954
Low	216	8	25	-23	49	294

Source:Foth Infrastructure & Environment, LLC , Village of Sherwood Year 2030 Recommended Comprehensive Plan, 2008

*F&VD= Foth & Van Dyke; ECWRPC= Eastern Wisconsin Regional Planning

However, looking forward to 2020, The project team feels it is more appropriate to talk in terms of ranges, not single numbers. Consequently, we assigned a +/- 10% error factor to the estimates of 477 housing units and 472 households to produce these ranges:

- 431 to 527 new housing units
- 425 to 519 new households.

Recessions, especially the big ones, have a way of knocking out the conceptual underpinnings of projections and forecasts. As a result, the project team felt the need to make a “Great Recession adjustment.” But, we could find little guidance as to how that might be best done. Consequently, we focused on housing units and simply lowered the bottom number in the range to 216 which equals half of the previous bottom number, 431. The adjusted range is then:

- 216 to 517 new housing units by 2020.

The wide width of the resulting range is a reflection of the recession induced uncertainties about how our economy and the housing market will recover over the next seven and half years.

A Concern

The recent lack of new construction in Sherwood, while home building is occurring in other parts of the Appleton MSA, is a cause for concern. The village’s leadership may want to pay special attention to this issue so they can take appropriate actions. Some possible causes and comments on them:

Single family housing across the nation is where stagnation in construction has been primarily manifested. Sherwood overwhelmingly has been the location for single-family housing. But, elsewhere in the Appleton region, some single-family construction is happening. So, why not at least “some” in Sherwood?

The surge in construction nationally and regionally is in multiunit housing projects. Developers may feel, given Sherwood’s past preferences, that such projects would be unwelcome in the community.

The village’s permissions and approvals process, zoning and/or fees may be perceived as being more onerous than those in other communities. Today, more than ever, developers will go where local authorities make it easier and cheaper for them to build. Based on our interviews, for example, the village may want to review its connection fees.

Office

As was shown in Table 19, today, Sherwood has significantly fewer people employed within its boundaries than other comparable communities. This carries over to office prone industries (those whose activities are likely to occur in offices) as shown in Table 27. But, the office prone differences are much smaller than the differences in total primary jobs. Moreover, when looked at on a percentage basis, Sherwood has the highest proportion of total jobs that are office prone, 28.8%. The largest of the office prone sectors is Health Care and Social Assistance, 11.5% of all primary jobs, 40% of all office prone jobs. On a percentage basis, if not in absolute numbers, Sherwood does comparatively well in this important sector.

Table 27 - Comparison of Office Prone Workers in Sherwood with Comparable Communities and Estimates of the Amounts of Space They Occupy

NAICS Industry Sector	Sherwood		Wrightstown		Wales		Winneconn		Mondovi	
Total Primary Jobs	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
	104	100%	1,984	100%	869	100%	506	100%	640	100%
Office Prone by NAICS Industry Sector	Count	Share of Total Jobs	Count	Share	Count	Share of Total	Count	Share of Total	Count	Share of Total
Information	4	3.8%	0	0.0%	0	0.00%	20	3.95%	5	0.78%
Finance and Insurance	2	1.9%	6	0.3%	29	3.34%	4	0.79%	14	2.19%
Real Estate, Rental Leasing	4	3.8%	0	0.0%	12	1.38%	0	0.00%	3	0.47%
Prof'l, Scientific, Tech Services	3	2.9%	0	0.0%	39	4.49%	1	0.20%	17	2.66%
Management of Companies and Enterprises	1	1.0%	4	0.2%	0	0.00%	4	0.79%	0	0.00%
Administration & Support, Waste Mgmt	4	3.8%	2	0.1%	20	2.30%	9	1.78%	0	0.00%
Health Care, Soc. Assist.	12	11.5%	54	2.7%	115	13.23%	28	5.53%	35	5.47%
Total Private Sector Office Prone	30	28.8%	66	3.3%	215	24.7%	66	13.0%	74	11.6%
Estimated Office Space at:										
150 SF/office prone worker	4,500		9,900		32,250		9,900		11,100	
175 SF/office prone worker	5,250		11,550		37,625		11,550		12,950	
200 SF/office prone worker	6,000		13,200		43,000		13,200		14,800	

Source: Census Bureau, On The Map, 2010 data

We have estimated the amounts of office space in these communities on the basis of three occupancy ratios: 150 SF per office prone worker, 175 SF per office prone worker, and 200 SF per office prone worker. We estimate that Sherwood has between 4,500 SF and 6,000 SF of office space, some of which is likely to be in home offices. For what has been basically a bedroom community, Sherwood has not done badly in terms of recruiting office prone functions. Its attractiveness as an office location has obvious limitations – definitely not suited for headquarters, regional or back offices – but it may still be suited for a significant number of small firms and small offices in the sectors listed in Table 27.

Owners of these firms who live in or within a short drive of Sherwood may have a strong interest in office locations there, especially if their operations are Internet intensive and do not require a lot of face-to-face interactions with clients and suppliers. Interest in Sherwood as an office location will also increase as its retail and food services sectors grow, as it establishes visibly successful commercial nodes. Some professionals may also want to zero in on the households in Sherwood and Harrison that have well above average incomes or on the area from Appleton to New Holstein where there may not be many professional offices, e.g., doctors, lawyers, accountants, dentists, etc.

Table 28 - Fox Valley Workforce Development Area's Industry Employment Projections for Office Prone Industries and Estimated Increased Demand for Office Space in Sherwood

NAICS Industry Title	Employment			% Change	Sherwood's Share Based on Population Share
	2008 Estimate	2018 Projection	Change		0.6528760%
Health Servcies (no ed.,hosp.)	22,540	27,470	4,920	21.8%	32
Estimated Office Space at:					
150 SF/office prone worker	3,381,000	4,120,500	738,000		4,818
175 SF/office prone worker	3,944,500	4,807,250	861,000		5,621
200 SF/office prone worker	4,508,000	5,494,000	984,000		6,424
Info/Prof. Svcs/Other Svcs	49,770	53,470	3,700	7.4%	24
Estimated Office Space at:					
150 SF/office prone worker	7,465,500	8,020,500	555,000		3,623
175 SF/office prone worker	8,709,750	9,357,250	647,500		4,227
200 SF/office prone worker	9,954,000	10,694,000	740,000		4,831
Financial Activities	13,760	14,060	300	2.2%	2
Estimated Office Space at:					
150 SF/office prone worker	2,064,000	2,109,000	45,000		294
175 SF/office prone worker	2,408,000	2,460,500	52,500		343
200 SF/office prone worker	2,752,000	2,812,000	60,000		392
Office Prone EmploymentTotals	86,070	95,000	8,920	0.103636575	58
150 SF/office prone worker	12,910,500	14,250,000	1,338,000		8,735
175 SF/office prone worker	15,062,250	16,625,000	1,561,000		10,191
200 SF/office prone worker	17,214,000	19,000,000	1,784,000		11,647

Sources: Office of Economic Advisors, Wisconsin Department of Workforce Development, April 2011; DANTH, Inc.

Employment has been making a better, if still too meager and sputtering a rebound than housing, so we have more confidence in these projections. However, we are about three and one half years into the 2008-2018 projection period. Table 29, in the column on the right provides a linear adjustment to the analysis in Table 28.

Table 29 - Estimates of Office Growth in Sherwood Based On Population Share and Adjusted to 2012-2018

Square Feet/Worker	Total Square Feet Based on Population Share	Linear Adjustment 2012 to 2018
Total New Office Prone Workers	58	38
150 SF/office prone worker	8,735 SF	5,678 SF
175 SF/office prone worker	10,191 SF	6,624 SF
200 SF/office prone worker	11,647 SF	7,571 SF

The office growth potentials then become:

- 38 new office prone jobs by 2018, representing a potential new demand for between around 5,700 SF and 7,600 SF of new office space.

Office space of this kind would fit easily into the old downtown, though either the substantial rehabilitation of some existing buildings or the construction of a new one, very possibly one that is multi-use, would be necessary. At least half of this new office space should be targeted for the old downtown. The remainder will very likely want to go along the 114 corridor from the Post Office to the Castle Drive area/Wanick Park area.

A Caution

Most of the new office job potential is in the healthcare industry and Sherwood, so far, has shown an ability to attract offices in this industry. One challenge, though, has been attracting a medical doctor and it is likely to continue being one. Population density is one important reason and rural areas have typically had a doctor shortage. But, in 2010 Wisconsin had 13,512 active MDs, of which about 7,614 were specialists, which translated into about 5,898 primary care and other non-specialists about one for every 961 residents.²⁰ According to that metric, Sherwood now should have about two primary care-type doctors. Obviously, there are other factors involved. An important one is the travel times to area hospitals. Physicians typically affiliate with a hospital and they like to be within a dependable 10-minute drive time from their offices to their hospital. The closest hospital is over 20 minutes away from Sherwood. Of course, this too, is a general rule, and there will be some exceptions to it.

Another factor is the affluence of the residents of a particular town or neighborhood. Poor areas attract very few MDs. The relative high household incomes in Sherwood and Harrison should be an asset in attracting an MD to Sherwood, especially one who likes the outdoors.

Childcare

A very experienced operator is interested in building and operating a new childcare center in Sherwood that would have “slots” for 120 children. The operator is reportedly very interested in a location that would be part of the same development project as the grocery store in the Castle Drive/144 commercial area. The project team fully recognizes the professional judgment of this operator. The analysis that follows is intended to provide the village’s leadership with some more information about the market this childcare center will be inserted in.

Grocery Store Connection

The proximity of the child care center to the grocery store will very likely help both generate more customer traffic than if they were situated farther apart. Child care parents are likely to find the grocery’s location very convenient and those who like the store can be an important word of mouth channel to other commuters they know. Conversely, the convenience of a good grocery store will add to the attractiveness of the childcare center.

Project Size

A childcare center with 120 slots is comparatively large. For example, data from a 2009 study by the Public Policy Forum in the counties of Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington,

²⁰ Census Bureau (Release date: February 2011). Physician data are from the 2011 AMA Physician Masterfile (December 31, 2010). <https://www.aamc.org/download/263512/data/statedata2011.pdf> and <http://bit.ly/094Fe3>

Waukesha showed that there were 978 licensed group providers in these seven counties and they had a total of 60,396 child care slots. The average licensed group provider in these counties had 61.8 slots.²¹

According to state regulations, a childcare center must have inside its building 75 SF of space and 125 SF of outside play space for each slot. A 120-slot center would need a building of about 10,000 SF – about, 9,000 SF required for the children plus another 1,000 SF for storage and internal circulation. It would also need an outside and attached play space of 15,000 SF. It will also need parking spaces. A location next to the grocery would probably create a de facto shared parking program.

Supply and Demand

Of the seven counties displayed in Table 30, Calumet has the second fewest number of child care slots, 936 and the second lowest ratio of slots to its population of 1 to 5 yr olds, 27.4%. Excluding Sheboygan, which is an “outlier” since it has the highest ratio of child care slots to 1-5 population in the state, there is a very discernible trend for the more populated counties to have both more slots and higher slots to children ratios. This fits in with a general pattern across the state and nation where rural and less populated areas have lower levels of services available to them. Compared to other nearby counties the parents in Calumet County of children in the 1 to 5 age group are being “underserved” by the low number of child care slots available to them.

Table 30 - A Comparison of 1-5 Year Old Populations and Child Care Slots in Calumet and Nearby Counties

Counties	Pop 1-5	Childcare Slots	Slots as % of Children 1-5	Total pop
Calumet	3,418	936	27%	48,971
Manitowac	4,550	659	14%	81,442
Fond du Lac	6,003	2,094	35%	101,633
Winnebago	9,866	4038	41%	166,994
Outagamie	11,702	5,140	44%	176,695
Sheboygan*	7,156	5,118	72%	115,507
Brown	17,167	7159	42%	248007

*Sheboygan has the highest childcare to 0 to 5 population ratio in WI.
Source: Census Bureau and data from WI Council for Children and Families

The proposed center in Sherwood would bring the number of slots in the county up to 1,056, a 12.8% increase. It would raise the slots to children ratio to 30.9%. Both would still be lower than those of five of the other counties listed in Table 30.

Where Will They Come From?

According to the operator, about 40 of the slots are expected to be filled by “local” children, with the remaining 80 filled by children from Chilton, Brillion, New Holstein, etc., and even Sheboygan.

The 2010 census estimated how many children age 3+ were in nurseries and preschools. Table 31, in the third column from the left, shows those estimates for 11 Calumet county subdivisions.²² The second

²¹ Melissa Kovach, Eva Lam, Anneliese Dickman, The Economic Impact of the Child Care Industry in Southeast Wisconsin, Public Policy Forum, May, 2009, pp. 44, pp 7 and 8

column shows the population of 3 to 5.5 yr. olds in each community. The column to the far right shows the percent of the 3 to 5.5 year olds who were in a nursery or preschool program in 2010. About 54% of the slots at the new center in Sherwood would come from this age group, 46% from the 0 through 2 group.²³ Unfortunately there is no census data about the child care of this younger group.

Table 31 - Current Nursery, Preschool Enrollments in Selected Calumet County Subdivisions

Calumet County sub-division	Population 3 to 5.5	Number in Nurseries, Preschool	Percent in Nurseries, preschool
Brillion city	122	20	16%
Brillion town	54	17	32%
Chilton city	144	77	53%
Chilton town	34	21	62%
Hilbert	37	13	35%
New Holstein,	83	23	28%
New Holstein	52	19	37%
Sherwood	122	71	58%
Stockbridge, t	39	11	28%
Stockbridge, v	13	8	62%
Woodville	22	14	64%
Totals	722	294	41%
Source: Census Bureau 2010			

These data suggest that the new center in Sherwood might draw heavily from Brillion town and city, New Holstein city and town, Hilbert and Stockbridge town, though the latter two have relatively few children in this age group. Sherwood and Chilton have relatively large childcare prone populations, 122 and 144 respectively, but 58% and 53% of them are already enrolled in childcare programs. The same is true for Woodville and Stockbridge village.

Given the relatively few child care slots in the county, it is probable that a significant number of parents in Sherwood, Chilton, Stockbridge village and Woodville are sending their children to centers that are in other counties, most likely Outagamie. Whether the new child care center in Sherwood can recapture these “leaked” slots will probably depend on the parents’ satisfaction with their current child care provider and also whether they prefer having that provider located closer to their homes or closer to their workplaces. The former preference reduces the travel times for the children, while the latter enables the parents to visit during the workday.

²² Harrison was not included because the operator of the proposed center already has a child care facility situated to serve Harrison and the commuter flow from Harrison does not go south.

²³ Information kindly provided by the operator.

Retail

Grocery Stores

Our Approach to This Analysis

The project team is usually hired to provide market information that clients then can use to attract developers and business site selectors to their communities. Sometimes developers ask for assistance to help them determine how much of their project's retail, residential or office space will have market support. But, most often, we are very deferential to developers and business operators who say they are interested in building or locating in a particular community. Often, they are privy to critical information that enables them to do more accurate analyses than we can. Sherwood has one group that is now preparing a proposal to build a 15,000 SF to 20,000 SF grocery store and another has already proposed a 120-slot childcare center. Both are experienced operators and the project team in no way calls their business judgments into question.

Moreover, we recognize that a recent Election Day survey of Sherwood's voters showed very strong support for a grocery store being brought into the Village and that such an operation would greatly strengthen Sherwood's ability to attract more businesses and residents.

Village leaders have asked us to analyze the markets for the grocery and childcare center so they could better understand the situation and respond effectively should the two projects now in the pipeline not come to fruition. Our response in the analysis that follows is not to give a thumbs up or down on either project, but to hopefully increase the Village leadership's understanding of the market situations these projects would be inserted in. For the grocery store, we will present two analyses. The first, using a professionally accepted methodology to define the trade area and establish a capture rate that can be applied to Sherwood, easily provides strong support for a 15,000 SF grocery store. The second analysis is customized to respond to strong concerns about the strength of the competition a new Sherwood grocery would face as well as its ability to draw significant numbers of Harrison's shoppers. It also brings into consideration market segments other than trade area residents, such as commuters, and population growth. Its findings also are positive, but more cautionary.

A Gap Analysis Using Trade Areas Define By 5 and 10-Miles Radiuses

Many retailers, including grocery store chains, are very concerned about population densities and will describe their desired trade areas in terms of so many residents within so many miles of a potential new site. For example: Wegman's likes 75,000 people living within a 5-mile radius, while Whole Foods wants 130,000 within 3 miles. In less densely populated areas, the supermarket chains will look at 10-mile and sometimes even larger radiuses.

Figures 1 and 2 illustrate this approach, showing the 5-mile, 10-mile and 15-mile ring areas that are centered on Dick's Family Foods in Wrightstown and the intersection of Castle Drive and WIS 114 in Sherwood. The Supervalu in Mondovi was also included in our analysis because it, too, was a 15,000 SF store.

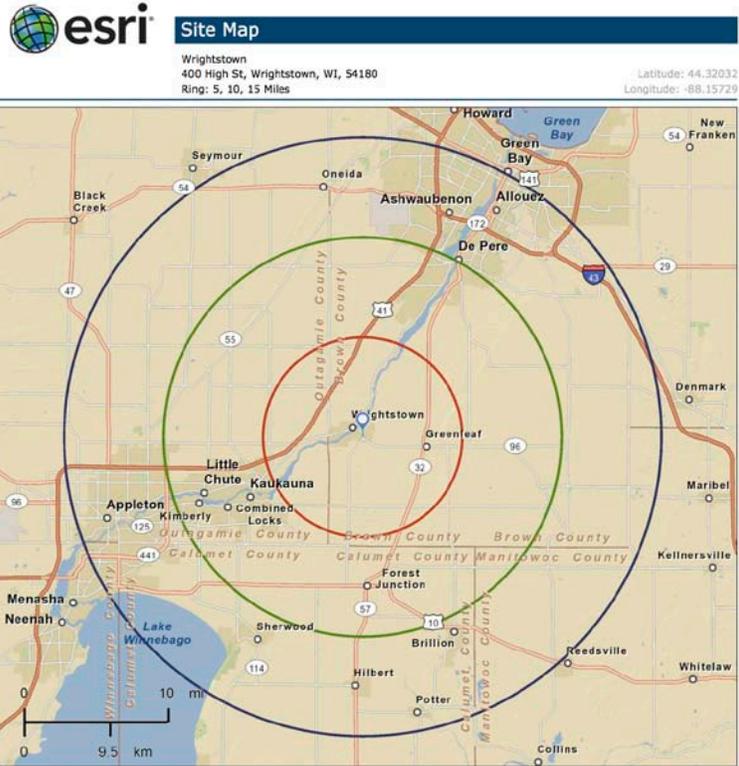


Figure 1 - Wrightstown 5,10,15 mile ring map



Figure 2 - Sherwood 5,10,15 mile ring map

An intensive search for comparable communities having groceries stores operated by reputable chains indicated that 15,000 SF stores were the smallest they were putting in communities like Sherwood. In other parts of the nation 8,000 SF to 12,000 SF are not uncommon.

Table 32 shows the results of a gap analyses on the 5-mile and 10-mile rings around the grocery stores in the three communities being compared.

Table 32 - Comparing Market Gaps of 15,000 SF Grocery Stores in Wrightstown and Mondovi with a Potential 15,00 SF Grocery in Sherwood

Community	Existing		Modeled*
	Wrightstown	Mondovi	Sherwood
5 Mile Ring			
Population	8,140	3,844	10,399
Per Capita Income	\$26,803	\$20,521	\$30,212
Groceries*	1	1	1
A. Demand	\$10,389,353	\$4,434,970	\$19,779,825
B. Supply without town grocery	Zero	Zero	Zero
C. Gap between demand and supply = A- B	\$10,389,353	\$4,434,970	\$19,779,825
D. Estimated town grocery sales	\$8,087,741	\$6,192,815	\$8,087,741
E. Remaining Retail Gap = C-D	\$2,301,612	-\$1,757,845	\$19,779,825
F Supermarket's Capture Rates = D/C	78%	140%	41%
10 Mile Ring			
Population	86,059	8,485	169,109
Per Capita Income	\$27,576	\$20,241	\$28,095
Number of Supermarkets	4	14	36
G. Demand	\$130,138,222	\$9,684,407	\$301,801,039
H. Supply	\$101,320,119	\$7,774,298	\$209,516,237
I. Estimated town grocery sales	\$8,087,741	\$6,192,815	\$8,087,741
J. Gap between demand and supply = G- H	\$28,818,103	\$1,910,109	\$112,064,627
K. TA Supermarkets Capture Rates = H/G	78%	80%	69%
L. Town Supermarket's Capture Rate = I/G	6%	64%	3%
M. Town Supermarket's Gap Cap Rate = I/(J+I)	22%	76%	7%
SF Large Competitors in 10 miles	403,000	166,000	582,000
* Sherwood's supply was modeled on a 15,000 SF grocery, same as in other towns. DANTh assembled the data on competitors' space. Other data from ESRI.			

Within the 5-mile rings, none of these supermarkets – the two existing in Wrightstown and Mondovi and the potential one in Sherwood – face any real grocery store competition. Consequently the gap (C) between consumer demand (A) and retail supply (B) is equal to the consumer demand. We have estimated the sales for each of these stores (D). The capture ratio (F) is the relation of the grocery store's sales to consumer demand, expressed as a percentage. In Wrightstown, the grocery stores sales amounted to 76% of consumer expenditure dollars in the 5-mile ring. This is not to say that the grocery actually captures 76% of the consumers' grocery expenditures in the 5-mile ring, but it does give an indication of how powerfully attractive the store would have to be to get all of its sales revenues from that geography. It also provides a metric to compare different stores relative to their trade areas. Similar figures for Mondovi and Sherwood were 140% and 41% respectively and reflect Sherwood's larger population and higher per

capita incomes and Mondovi's smaller population and lower per capita incomes. Clearly, Mondovi's Supervalu, in a more rural local, also must reach out and draw many customers from the 5-mile to 10-mile band.

The 10-mile ring is important to look at for two reasons. If these grocery stores have a five-mile reach then their trade areas would overlap if there are other groceries within 10 miles of them. Also, Mondovi obviously gets a lot of customers who live 5+ miles away and Wrightstown's 78% capture ratio suggests that its grocery must also penetrate substantially into the 5-mile to 10-mile band.

The analysis of the 10-mile ring is complicated by the fact that there are other grocery stores in the market area. Row J in Table 32 presents the "gap" in dollars between consumer grocery expenditures and area grocery store sales. Row K converts this into a capture ratio, i.e., store sales as percentage of consumer expenditures. L shows the ratio, in percent, between the 15,000 SF grocery's sales and the total grocery expenditures in that ring area. M shows the ratio of the grocery stores to the "gap" expenditure dollars that are being leaked to shops outside of the ring or not spent. In the 10-mile ring, L and M are the important ratios because they indicate the market share that should be much easier to capture because it currently is being spent elsewhere.

In both ring areas, the 15,000 SF Sherwood grocery store being modeled in this analysis would require much lower capture ratios than the Wrightstown store to have comparable annual sales. This finding not only supports the viability of a 15,000 SF grocery store in Sherwood, but also would be supportive of a larger one as well.

Another take away from this analysis is that both successful existing stores have a proven capture ratio in the range of 76% to 78% when their market areas have populations of 8,140 to 8,485. If the Sherwood grocery can have a trade area of 8,000 to 8,500, then achieving sales equivalent to a 75% or so capture ratio is feasible.

Sherwood's Convenience Trade Area (CTA)

However, there are a number of reasons to question whether the ring-based analysis presented above is acceptably reliable:

- Population size is critical here and most of the in-close 10,000 population in Sherwood's 5-mile ring actually lives in Harrison.
- As can be seen in figure 3, most of this town's population lives north of HWY 10. Though within the 5-mile ring of a Sherwood grocery store, these Harrison residents probably live closer to Sherwood's grocery store competitors to the north, west and northwest.
- As was described above, there are a lot of large supermarkets near them that offer a lot of variety and choice. These supermarkets exercise a lot of retail gravity on Harrison's residents.
- Sherwood also has no "pull" on Harrison residents when it comes to comparison shopping opportunities; again these residents will not be looking south for such shopping opportunities.
- The same is true for going to the movies and concerts.
- Only about 10% of Harrison's residents are prone to drive through Sherwood on their commutes to work.
- While legal matters may draw some Harrison residents south to Chilton, health care.

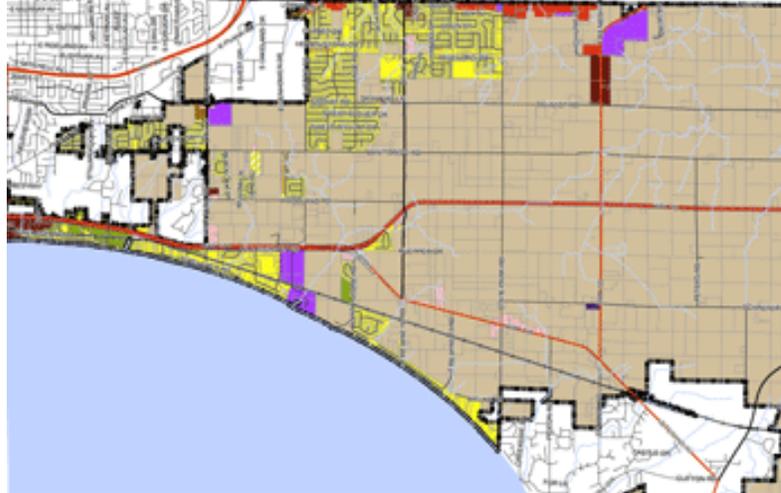


Figure 3 - Town of Harrison north of Sherwood

- Services and other professional services are unlikely to draw them south.
- High Cliff Parks very probably draws visitors from Harrison, but they also most probably turn off of WIS 114 at Pigeon Rd and never drive through Sherwood’s commercial nodes.
- All of these shopping and commuting patterns tend to reinforce each other and make a kind of strong geographic imprint on shopping patterns.
- Additionally, the ring analysis ignores the fact that Wrightstown has about 1,800 more daytime workers than Sherwood.
- About 25% of Wrightstown’s commuters head to the southeast, where the strongest grocery competition is located, while about 48% commute northeast to the Green Bay area, where the competing groceries are farther away and less powerful.
- Nationally, the average household makes about 2.2 trips to the supermarket/grocery each week. Many of them are the big, weekly shopping trip. These trips tend to take the most time and involve large expenditures.
- Consequently, shoppers are inclined to travel farther to the supermarket of their choice and incur having to shop a store that covers close to an acre or two and tolerate long checkout lines. In less densely populated areas like Mondovi, a 15,000 SF grocery store will still attract folks making their “weekly” grocery trip.
- But in denser environments groceries of this size, such as Fresh & Easy and Aldis, are geared to time stressed shoppers, often from dual-income families, people coming home from work and mothers with young children.
- Consequently, no matter how the trade area is defined, a lot of Sherwood grocery expenditures are still likely to go to competitors to the north and northwest. The grocery store in Wrightstown is in a similar situation.

In response to these considerations, the project team defined a Convenience Trade Area (CTA) for Sherwood – see the figure below – that comprises Sherwood, Stockbridge Village, Woodville, about 66% of Stockbridge town’s population and about 7.2% of Harrison’s population. The extent of the CTA to the south and east was limited by the clusters of significant retail competition in Brillion and especially Chilton.

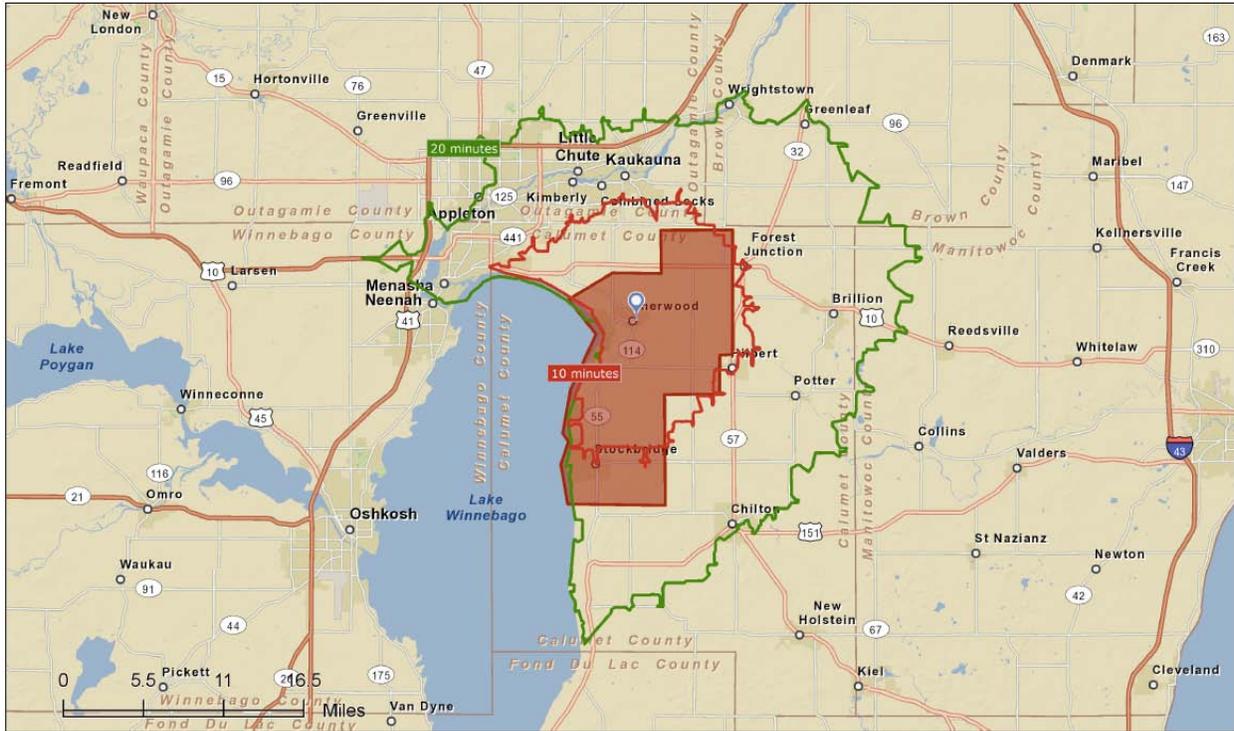


Figure 4 - Sherwood's Convenience Trade Area & Drive Times

The CTA’s key demographic characteristics were presented in Table 20. Some relevant demographics to the analysis at hand are:

- In 2010, the CTA had a total population of 6,081. This is about 25% fewer than the 8,000 + Wrightstown and Mondovi have in trade areas where their grocery stores’ revenues amount to 70+% of the consumers’ grocery expenditure dollars
- The CTA, in 2010, also had a per capita income of \$32,785, which is about 20% higher than the per capita income in the Appleton MSA.

Table 33 was generated using UWEX’s Gap Analysis Tool and updating 2007 dollars into 2012 dollars. It shows that in the CTA the residential potential expenditures (demand) for groceries in 2012 is about \$13,219,195 and current sales are estimated at about \$1,063,380. That results in a gap or leakage of about \$12,156,815 that is going to grocery stores that are beyond the CTA. That leakage could support a total of almost 23,000 SF of grocery store space. A 15,000 SF grocery store would require about \$7,185,000 in sales to succeed and to capture about 66% of the consumer grocery expenditures now being leaked out of the CTA.

Table 33 - Grocery Store Demand, Supply, and Gap in Sherwood's CTA

Demand: Potential Sales in Convenience Trade Area	Current Supply (est SF) - 1 c-store	Sales/SF	Supply estimated sales	Gap \$s = demand - Supply	Gap SF = demand - Supply	Sales required by a 15,000 SF grocery store	Market share required by 15,000 Sf grocery
13,219,195	2,000	532	1,063,380	12,155,815	22,863	7,185,000	1

Whether a grocery can win such a high market share obviously depends heavily on the ability of the store’s operators. We believe that it is prudent to assume that the operator of a Sherwood grocery will capture between 40% and 60% market share. Looking at just current CTA residents that would support a store of between 9,146 SF and 13,719 SF (see Table 34).

Table 34 - SF of Grocery Store Space Supported at Various Capture Rates

Capture Rates	30%	40%	50%	60%	70%
A. SF	6,859	9,146	11,342	13,719	16,005
B. 20% adjustment*	1,372	1,859	2,286	2,744	3,201
C. A+B sub-total SF	8,231	11,005	13,628	16,463	19,206
D. Pop. Growth Adjustment (17.8%)	1,218	1,624	2,030	2,436	2,843
E. A+D subtotal SF	8,078	10,770	13,463	16,155	18,848
Total All Factors					
A+B+D	9,449	12,629	15,658	18,899	22,049

*20% adjustment for commuters, park visitors, non-CTA residents in nearby towns

Table 34 also brings into consideration the potential impact of population growth between 2010 and 2020. Optimally, that growth would increase demand and bring the size of the market supportable grocery store to between 12,599 and 18,899 SF.

However, it is often assumed that 20% of retail stores revenues will come from sources other than its trade area residents. In Sherwood, those other sources would be the commuters and other travelers who drive through the community as well as its daytime worker population. This adjustment would bring the range of the size of the grocery store that can be supported with a 40% to 60% market share to 10,975 SF to 16,462 SF.

Conclusions

Applying the most stringent analysis we could reasonably devise showed that an operator capable of winning a market share between 40% and 60% of residential grocery purchases would be able to support a store in the 9,000 SF to almost 14,000 SF range. Taking other factors into consideration, such as commuters and population growth, would bring that store size into the 12,500 SF to almost 18,900 SF range by 2020.

Other Retail and Personal Services

Those That Will Have An Easier Time Entering The CTA

A good indication of which types of storefront-prone firms are most likely to be attracted to Sherwood is how much market share in each of the 71 North American Industry Classification System (NAICS) categories a new average store would have to win. Those with higher required market shares will need to

be commensurately stronger competitors and those that would require closer to 100% or higher market shares obviously will need to be able to penetrate a much larger trade area. For example, as can be seen in Table 35, those with the smallest required market shares, all under 26%, are beauty and nail salons, restaurants, auto and other types of repair shops.²⁴ Home furnishings, appliances, women's clothing, pharmacies, furniture and sporting goods stores would require market shares in the 61% to 92% range. The required market shares for hardware, toy and pet supply stores are even higher: 190%, 163% and 234% respectively.

Many of the stores requiring higher market share fall into the GAFO category, an acronym for stores that sell department store type merchandise such as general merchandise, apparel, furniture and home furnishings, and other miscellaneous retail goods and services. In the research reported by Bill Ryan and his team, GAFO stores only accounted for 11.35% of downtown store sales in the 60 Wisconsin communities they researched that had populations in the 2,500 to 5,000 range.²⁵ (Table31). Food and other convenience type operations, they found, accounted for 51.9% of these downtown sales. These operations included grocery stores, restaurants, drinking places, specialty food stores, pharmacies and drug stores.

Even before the onset of the Great Recession the project team was advising both our clients and the larger downtown revitalization community that GAFO stores in small and medium sized downtowns were increasingly in trouble and disappearing.

²⁴ Cautionary note: these data are based on the average store's sales in each category. That means that stores with lower sales and a weaker ability to capture market share may, in certain circumstances, still be viable. Indeed, there may be a few of those scenarios that are possible in Sherwood, as will be explored below. But, by and large, using the averages provides useful and reliable guidance.

²⁵ Bill Ryan, Beverly Stencel, and Jangik Jin, "Retail and Service Business Mix Analysis of Wisconsin's Downtowns," Center for Community & Economic Development, University of Wisconsin - Extension Staff Paper, Sept. 1, 2010.

Table 35 - CTA Market Share Needed to Support One Store in the NAICS Category

6.8%	Beauty salons	94.5%	Beer, wine, & liquor stores
13.0%	Limited-service eating places	96.9%	Family clothing stores
15.9%	Full-service restaurants	105.6%	Specialized clothing stores (dress, etc)
16.9%	Automotive mechanical & electrical repair	114.6%	Book Stores
17.8%	Personal goods repair (watch, boat, garment)	123.2%	Automotive equipment rental & leasing
20.8%	Other amusement (bowling, golf, fitness)	123.7%	Shoe stores
25.7%	Nail salons	129.7%	Lawn & garden equipment & supplies stores
26.5%	Other personal care services (tatoos, spas, piercin	143.7%	Reupholstery & furniture repair
31.8%	Photographic services	149.5%	Clothing accessories stores
32.0%	Gasoline stations	163.4%	Hobby, toy, & game stores
32.4%	Used car dealers	164.0%	Art dealers
33.1%	Automotive body, paint, interior, & glass	164.6%	Coin-operated laundries & drycleaners
40.7%	Other automotive repair & maintenance	165.9%	New car dealers
40.9%	Cosmetics, beauty supplies, perfume stores	188.9%	Sewing, needlework, & piece goods stores
41.5%	Barber shops	190.6%	Hardware stores
43.4%	Automotive parts, accessories, & tire stores	202.7%	Computer & software stores
45.4%	Gift, novelty, & souvenir stores	205.1%	Video tape & disc rental
52.1%	General merchandise stores	234.2%	Pet & pet supplies stores
53.1%	Used merchandise stores	258.4%	Office supplies & stationery stores
56.2%	Drinking places (alcoholic beverages)	259.3%	Optical goods stores
57.0%	Specialty food stores	263.5%	Photofinishing
57.9%	Jewelry stores	290.5%	Children's & infants' clothing stores
59.0%	Pet care (except veterinary) services	327.5%	Men's clothing stores
59.8%	Other health care (vitamin, medical equip)	382.4%	Musical instrument & supplies stores
60.3%	Small supermarket stores	416.2%	Paint & wallpaper stores
61.6%	Home furnishings stores	432.0%	Home centers
68.8%	Appliance, television, & other electronics stores	476.1%	General rental centers
70.2%	Specialized building material dealers	478.2%	Tape, compact disc, & record stores
77.3%	Women's clothing stores	480.1%	Amusement parks & arcades
79.5%	Home/garden equipment & appliance repair	514.8%	Recreational vehicle dealers
86.1%	Pharmacies & drug stores	804.6%	Motion picture & video exhibition
88.0%	Motorcycle, boat, & other motor vehicles	817.5%	Footwear & leather goods repair
88.5%	Furniture stores	1070.8%	Camera & photographic supplies stores
90.9%	Florists	1151.0%	Luggage & leather goods stores
92.1%	Drycleaning & laundry (except coin-operated)	1529.6%	Formal wear & costume rental
92.4%	Sporting goods stores		

Source: data generated through the UWEX Gap analysis Tool

Table 36 - Downtown Store Sales in 60 Wisconsin Communities with Populations Between 2,500 and 5,000

Town Populations	2,500-5,000
Number of downtowns	60
Food, Convenience	\$13,103,000
Food Convenience % of all sales listed	52.0%
Full service restaurants	\$2,515,000
Drinking places	\$784,000
Limited service eating places	
Grocery stores	\$8,084,000
Specialty food stores	
Pharmacies and drug stores	\$1,720,000
GAFO stores	\$2,861,000
GAFO % of all sales listed	11.4%
General Merchandise	
Used merchandise stores	\$466,000
Gift Novelty & souvenir	\$378,000
Jewelry stores	
Women's clothing	
Florists	\$210,000
Hardware stores	
Appliance TV, & Other electronics stores	\$1,459,000
Sporting goods stores	\$348,000
specialized building materials dealers	
Art dealers	
Other	\$9,241,000
Other % of all sales listed	
Beauty salons	\$573,000
Gasoline Stations	\$6,295,000
Nail salons	
Barber shops	\$71,000
Other amusement-golf, fitness, bowling	\$779,000
Photographic services	
Automotive mechanical & electrical repair	\$491,000
Automotive parts, accessories, & tire stores	\$1,032,000
Source: Bill Ryan, Beverly Stencel, and Jangik Jin, "Retail and Service Business Mix Analysis of Wisconsin's Downtowns," Center for Community & Economic Development, University of Wisconsin - Paper, Sept. 1, 2010 Extension Staff	

Also, during the Great Recession, GAFO stores were hit very hard as consumers cut back discretionary spending. The project team's field observations strongly suggest that those in small and medium-sized downtowns were hit the hardest. Furthermore, e-commerce has hurt many GAFO retailers who do not have a strong e-commerce presence.

Implications

Attracting GAFO retailers to Sherwood will be very difficult because:

- GAFO retailing has a relatively weak presence in communities in the 2,500 to 5,000 population range.
- They would need to win large market shares in the CTA.
- Sherwood's geographic location does not provide them proximity to the population densities they require, especially to the east, south and west, while still making them vulnerable to significant competition to the north.
- However, Sherwood has some proven assets that are penetrating market areas beyond the CTA, and leveraging them may make the attraction of some GAFO operations possible.
- And some smaller than average shops may be viable in Sherwood.
- The most likely tenants to be attracted to Sherwood stores are food related and convenience operations, as well as personal services.

What Types of Stores Will Most Probably Be Attracted and How Much Space Might They Occupy?

The project team carefully reviewed the possibilities of attracting firms from 71 NAICS categories to Sherwood. Ten categories were identified as having the strongest potentials and they are listed in the Tier 1 section of Table 37.

Table 37 - Storefront Tenant Potentials: A Gap Analysis by Sales, SF, and # of Businesses

A. NAICS Category Name	CTA Demand			CTA Supply			CTA Gaps		
	B. Potential Sales	C. Sq. Ft. of Businesses Demand	D. No. of Businesses (Demand)	E. Estimated sales of businesses	F. Est. Sq. Ft. of Businesses	G. No. of Businesses (Supply)	H. Sales Gap (B-E)	I. SqFt Gap (C-F)	J. No of Businesses Gap (D-G)
Tier 1 -- Most likely to be attracted									
Beauty salons	\$824,072	3,136	14.7	\$167,963	709	3	\$656,109	2,427	11.7
Limited-service eating places	\$5,009,974	13,269	7.7	\$2,598,510	7,639	4	\$2,411,464	5,630	3.7
Full-service restaurants	\$5,274,968	11,812	6.3	\$2,509,298	6,237	3	\$2,765,671	5,575	3.3
Nail salons	\$150,870	775	3.9	\$38,778	221	1	\$112,092	554	2.9
Other personal care services (tatoos, spas, piercing)	\$217,930	637	3.8	\$57,690	187	1	\$160,240	450	2.8
Photographic services	\$257,109	729	3.1	\$0	NA	0	\$257,109	729	3.1
Personal goods repair (watch, boat, garment)	\$242,337	NA	5.6	\$86,379	NA	2	\$155,957	NA	3.6
Cosmetics, beauty supplies, perfume stores	\$316,480	781	2.4	\$129,396	325	1	\$187,084	456	1.4
Specialty food stores	\$502,911	2,120	1.8	\$0	0	0	\$502,911	2,120	1.8
Jewelry stores	\$834,048	1,211	1.7	\$0	0	0	\$834,048	1,211	1.7
Used merchandise stores	\$299,058	NA	1.9	\$0	0	0	\$299,058	NA	1.9
Tier 2 - Special Scenarios									
Pharmacies & drug stores	\$5,437,125	12,246	1.2	\$0	0	0	\$5,437,125	12,246	1.2
Drycleaning & laundry (except coin-operated)	\$245,088	1,493	1.1	\$0	0	0	\$245,088	1,493	1.1
Sporting goods stores	\$966,021	3,172	1.1	\$892,131	2,883	1	\$73,890	288	0.1
Tier 3 - A "Having Fun Niche" to organize and grow									
Drinking places (alcoholic beverages)	\$537,122	NA	1.8	\$1,812,740	NA	6	(\$1,275,618)	NA	(4.2)
Other amusement (bowling, golf, fitness)	\$1,733,152	NA	4.8	\$2,166,814	NA	6	(\$433,661)	NA	(1.2)
These would be joined in the niche by the restaurants, salons, spas, and sporting goods establishments, etc.									

Part of our analysis is displayed in that table. Columns B, C and D express the magnitude of consumer demand in each of the NAICS categories expressed in terms of potential sales and the amount of square footage and number of average businesses in each category those expenditures could support.²⁶ Columns E, F and G provide similar information for the supply side. The data in the final three columns are computed by subtracting the data in respective supply columns from those in the demand columns. They show the “gaps,” the consumer expenditures that are now being made in shops outside of the CTA and their important in terms of square footage and number of average businesses.

The NAICS categories grouped under Tier 2 – Special Scenarios may be recruited to Sherwood, but probably only under in very special circumstances. However, we believe that these circumstances are likely enough that they should definitely be looked into. The specifics of these “scenarios” will be detailed below.

The final tier in Table 37 provides data on two NAICS sectors that could be components of a retail niche the project team believes could be grown in Sherwood.

²⁶ In two categories, Urban Land Institute data on square footage are not available (NA).

Table 38 shows how much square footage and the number of average stores might be viable in Sherwood if the new entrants combined could gain 40% or 60% market shares. In the two sectors for which no square footage data are available, we default to relying on the number of average businesses by revenues. The CTA Gaps columns are repeated from Table 37. How columns K, L M and N were computed is shown in parentheses in each column’s heading information.

Table 38 - Estimating SF and # of Businesses by Captured Market Share

Category Name	H. Sales Gap (B-E)	I. SqFt Gap (C-F)	J. No of Businesses Gap	K. SqFt at 40% Market Share (I x .4)	L. SqFt at 60% Market Share (I x .6)	M. Businesses at 40% Market Share (J x .4)	N. Businesses at 60% Market Share (J x .6)
Beauty salons	\$656,109	2,427	11.7	971	1,456	4.7	7.0
Limited-service eating places	\$2,411,464	5,630	3.7	2,252	3,378	1.5	2.2
Full-service restaurants	\$2,765,671	5,575	3.3	2,230	3,345	1.3	2.0
Nail salons	\$112,092	554	2.9	222	332	1.2	1.7
Other personal care services (tatoos, spas, piercing)	\$160,240	450	2.8	180	270	1.1	1.7
Photographic services	\$257,109	729	3.1	292	437	1.3	1.9
Personal goods repair (watch, boat, garment)	\$155,957	NA	3.6			1.4	2.2
Specialty food stores	\$502,911	2,120	1.8	848	1,272	0.7	1.1
Jewelry stores	\$834,048	1,211	1.7	484	727	0.7	1.0
Used merchandise stores	\$299,058	NA	1.9			0.8	1.1
TOTALS:				7,478	11,217	14.6	21.9

Here are some comments about the most likely tenant prospects in Tier 1:

1. **Limited service eateries and full service restaurants.** The current restaurants in Sherwood are among those firms with the strongest drawing power, yet a lot of restaurant expenditures are leaking out of the trade area. Our impression is that a lot of Sherwood’s residents are not doing much dining locally. In part, this may be due to the offerings. The everywhere popular pizza place is missing. As is a family-friendly, specialty hamburgers place. We are not talking about a McDonald’s or Wendy’s. Also, the supper club format appears to have weakened substantially across the state and now primarily attracts an aging clientele. Yet, with so many families with children in both Sherwood and Harrison, there will be a strong demand for affordable family restaurants. There are “family play cafes” in Neenah and something similar may also do well in Sherwood. The Neenah operation has a strong retail component. Parents with young children often yearn for places where they can get a bite to eat, or a cup of coffee, and chat with friends while their children play safely nearby.

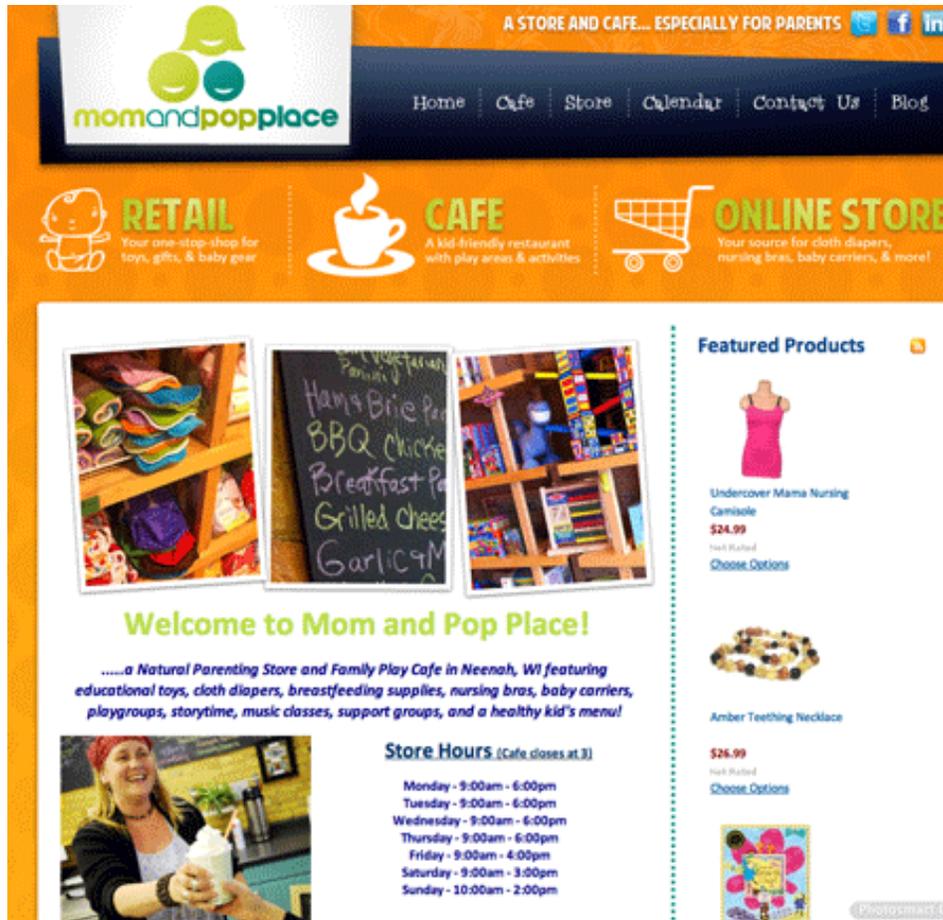


Figure 5 - Mom and Pop Place's Website

McDonald's has known this for decades and their eateries often have children play areas. Neenah's Mom and Pop Place follows suit, but in a definitely distinct manner. A coffee shop, something like Mud Creek Coffee in Stockbridge, that could capture morning commuters and local seniors and parents with children, is another promising possibility.

The analysis previously summarized indicates that Sherwood can potentially attract one or two limited service eating places that would require between about 2,300 SF and 3,400 SF. It also indicates the potential for attracting one or two full service restaurants that will require between about 2,200 SF and 3,300 SF. Adding the out of trade area 20% adjustment results in the potentials going to:

- Two or three limited service eateries requiring between roughly 2,700 SF and 4,000 SF.
- Two full service eateries also requiring roughly between 2,700 SF and 4,000 SF.

Clustering these new eateries together in the old downtown area would both help the downtown and help the eateries as passing motorists could see a variety of choices to select from. But, at this moment, there are few apparent viable locations. Many restaurant operators can also be expected to want to be closer to Castle drive.

Restaurants need a lot of parking at their peak hours. Providing it may be a challenge for locating them now in the old downtown.

2. ***Pamper Niche.*** While some retailers consider hair and nail salons, fitness centers, spas and martial arts establishments as less desirable co-tenants, the fact is that they very often draw a lot of people, especially women, with demonstrable spending power into a commercial district. Of late, across the nation, they also have been the ones most likely to fill storefronts vacated by failed retailers.

However, they usually do not require large spaces and while their revenues are not very high, they generally can afford to pay a higher proportion of their sales revenues on occupancy costs than retailers because they have much less money tied up in inventory.

The data indicates that Sherwood could attract about five to seven additional hair salons that would need roughly about 1,000 SF to 1,500 SF of space and one nail salon that would require just between 200 SF and 300 SF. The “other personal care services” category that includes such operations as spas and tattoo parlors has the potential for an additional establishment, that would need only 180 to 270 SF. Adding the out of trade area 20% adjustment results in the potentials going to:

- Six to eight hair salons that will require between 1,200 SF and 1,700 SF, or fewer larger salons that occupy the same amount of space.
- One or two nail salons that would roughly require between 270 SF and 400 SF.
- One or two “other personal service operations” that would roughly require between 200 SF and 300 SF.

3. ***Gift and novelty stores.*** In the project team’s experience, card stores today are having a hard time as e-cards are taking over the market. A gift shop is most likely. In other communities, we have seen stay at home moms with school age children open such stores, so such parents in Sherwood and Harrison may be good prospects. Almost 9% of Sherwood’s residents who are employed work in the retail sector.

In some small towns, the gift store sales potentials are captured by a store that also engages in other retail functions. For example in Deerfield, WI, population, 2,048, the Door Creek Pharmacy also sells gifts.

Table 38 indicates that there is a potential for about one gift/novelty stores with a total space requirement roughly between about 1,000 SF and 1,500 SF. Adding the out of trade area 20% adjustment results in the potentials going to one store requiring between roughly between 1,200 and 1,700 SF.

4. ***Specialty food stores.*** Small meat and cheese shops are to be found in many communities across the state that have comparable populations to Sherwood. Some of these shops, such as Jacobs Meat Market in Appleton, are really small groceries with a large meat section. Crescent Meats in Cadott, WI and Louie’s Finer Meats in Cumberland, WI are additional examples of successful specialty meat markets in smaller communities. Both markets serve local populations as well as pass through visitor traffic.

Closer to Sherwood, Brillion has both a specialty meat store and a 33,000 SF supermarket. That suggests that a meat market in Sherwood could also coexist with a 15,000 SF grocery. Table 38 indicates that Sherwood potentially could attract a specialty food store that would need about 800 SF to 1,200 SF of space. Adding the out of trade area 20% adjustment results in the potentials for the store going to roughly between 1,000 SF and 1,500 SF.

5. **Used merchandise stores.** This category includes shops that sell antiques and “collectibles” as well as consignment shops. The antiques trade has undergone a significant transformation in the last decade. More and more sales are happening on the Internet or in large antique malls and supermarkets where the dealers can display their wares, but need not be present. But small operations still emerge, as we have observed in southwestern Ohio, often in rural or small towns, where the antiques are sold in shops very close to where the owners live or even in their homes.

Shopkeepers in this category typically only can afford rents that are lower than most other retailers pay.

The UWEX Gap Analysis Tool did not provide any square footage information for this sector. However, the project team believes that about 1,000 SF is a useful ballpark estimate for the average firm in this sector. This was arrived at by assuming that, as usually is the case, these retailers will spend between 8% and 12% of their annual revenues, about \$15,900, on occupancy costs and that a reasonably low retail rent in the Appleton area is about \$16 per SF.

The data in Table 38 the project team estimates that Sherwood could attract about one shop in this category if they win a market share of between 40% and 60%. Adding the 20% out of trade area adjustment does not add another firm, but it does increase its potential square footage. The project team believes that with the out of trade area adjustment, the store attracted to Sherwood in this sector could be in the range of 800 SF to 1,200 SF.

There is a house next to Frogg’s and owned by its owner. It could make a good location for an antique store.

6. **Jewelry stores.** The data in Table 38 indicate that residential expenditures in the CTA could support a jewelry store of roughly between 500 SF and 700 SF and that with the 20% out of trade area adjustment, the potential would still be about one store, but its size might increase to around 600 SF to 900 SF. There is a jewelry store in Wrightstown and it is located close to the 15,000 SF grocery store. The project team anticipates that any jewelry shop opening in Sherwood would also want to be close to the new 15,000 SF grocery.
7. **Photographic services.** These operations may only occupy relatively small spaces of 200 SF to 300 SF, but their storefronts, signage and activity can help build Sherwood’s image as a vibrant commercial place. Table 38 shows that the residential expenditures in the CTA could support one to two of these operations that would require roughly between 290 SF and 440 SF. With the 20% out of trade area adjustment the number of potential new businesses remains basically the same, though the square footage increases to roughly 350 SF to 525 SF.

A major obstacle to recruiting a firm in this sector may be the lack of an appropriate space in terms of size, condition and cost.

8. **Personal goods repair (watch, garment, and boat).** Another sector that often requires very small spaces, yet they can add services, e.g., a tailor, that can add to a community’s quality of life. But, prospects are often hard to find and even harder to recruit. Nevertheless, the data in Table 38 suggest that there is a market opportunity here to recruit one, possibly two firms. With the 20% out of the trade area adjustment, one or two firms is definitely possible.

Here, again, the UWEX Gap Analysis Tool did not supply any information about square footage. Nevertheless, we anticipate that small spaces under 500 SF will be required for such activities as watch and garment repairs.

Special Scenarios - Drug Store, Drycleaner, Sporting Goods

A drug store, drycleaner, and sporting goods store are considered “special scenarios.” The recruitment of businesses in these sectors, while possible, is complicated and often requires a specific set of conditions or actions.

9. **Drug Store.** The Election Day Survey showed that a drugstore scored second highest as the type of store most desired by Sherwood’s voters, so we took a very in-depth look at the prospects of achieving that objective. Our literature review showed that the pharmacies in very small, rural Wisconsin communities with populations under about 1,500 were closing at an increasing rate. Their small markets combined with the rapidly rising costs and very slow payments associated with their participation in Medicare squeezed the profits out of their operations.²⁷

We also looked at 16 communities with populations that ranged between 2,100 and about 3,500. Here we found several communities with small pharmacies/drugstores, under 4,000 SF, and they either were meshed with other economic functions, as the one that is also a gift shop in Deerfield, or they belong to an organization that brings a lot of independent pharmacists together to increase their buying power and reduce their marketing costs. The large health care firm McKesson offers a Health Mart service that several independent pharmacists in these towns have joined.

The project team’s research in other states has also shown that many small drugstores can do quite well if they combine membership in a purchasing and marketing group with very high levels of customer service and special skills like compounding (e.g., making special pills), making deliveries, charge accounts, calling doctors about renewing prescriptions, explaining medications, etc., are key parts of the customer service. A significant nearby population of seniors also often characterizes these successful small drugstores. These stores may have about 1,500 SF to 2,000 SF for the product sales space and pharmacist’s working area, with a similar amount for inventory storage and another 500 SF for office space.

Our review of the 16 comparable communities did find two that had drugstore chains present, Seymour and Wales, and we estimate both stores, a Shopko and a Walgreens, are each about 15,000 SF.

²⁷David Wahlberg, “Disappearing drugstores: Small-town health suffers as rural pharmacies close,” Wisconsin State Journal, April 25, 2010

We also looked at Chilton, which has both a Wal-Mart with a drugstore section and Walgreens as well as several small pharmacies.

Table 37 shows that about \$5.4 million in drugstore sales are now leaving the CTA. That spending power could support a drugstore of about 12,200 SF – if it gained a 100% market share. That seems very unlikely. And there is no evidence that any reputable drugstore chain is willing to put a 6,000 SF to 8,000 SF store in a town like Sherwood.

Population growth, with an especially large infusion of seniors, would help ameliorate this situation. Then it would be likely that in 10 to 15 years one of the chains will put a drugstore in Sherwood. It will also increase the interest of vitamin, health food and medical equipment shops in Sherwood locations.

However, in the short term, any effort to recruit a drugstore will have to look at finding a successful small operator and convincing him or her to open another store in Sherwood. Something likely in the under 4,000 SF range. Any search for such a prospect should look at drugstores within a geographic band that is within a 20 minute to 45-minute drive from the new grocery store in Sherwood. This will prevent concerns about cannibalization of the current stores sales. Then the prospects should be screened to learn if they:

- Belong to an independent drugstore purchasing and marketing group?
- Provide high quality customer service?
- Have special skills.

Opening another store for these merchants will be seen as an especially risky venture given both our current sputtering economic recovery and the ever increasing power of the big chains like Walgreens, CVS, Shopko and Rite Aid. Having an incentive package and a Class A retail space near the grocery store could help reduce the perceived risk.

The project team believes that the recruitment of an independent drugstore operator is unlikely to happen soon organically. If it is to happen, a savvy landlord, an experienced developer or a village official will have to take some proactive measures.

10. **Drycleaner.** Today, it would be very difficult for a dry cleaner to make it just by serving CTA residents – as can be seen in Table 35, a market share of 92% would be necessary. But, our web searches could not identify any dry cleaners between Appleton and New Holstein, while the almost 113,000 people living within a 15-minute drive of Sherwood spend about \$3,344,042.63 for this service. Just a 14.6% market share would support about a 3,000 SF dry cleaner in Sherwood, double the size of the average operation. A more cautious estimate would be 1,400 square feet.

The critical element of a successful strategy would be to *not depend on people bringing their clothes to Sherwood*, but to have a strong pickup and delivery capability to their homes or places of work. Another key to success these days is to clean the clothes using one of the new ‘organic’ and environmentally friendly processes. Both will require a very skilled entrepreneur.

Sherwood’s geographic location and roads gives it a strategic advantage in tapping a *between* Appleton and New Holstein market area.

11. ***Sporting Goods*** The sporting goods market is increasingly dominated by such large stores as Academy, Cabela's and Dick's Sporting Goods and online purchasing is increasing rapidly. There is an arrow shop in Hilbert and golf course pro shops in the CTA. They show what is required today for small sporting goods stores to still make it – they need something special, be it a relatively unique line of merchandise, e.g., arrows and golf related merchandise, or a social connection to a targeted and proximate market segment, e.g., players at a specific golf course.

The market feasibility of an independent sporting goods store operator in Sherwood would improve as each of the following are realized:

- The operator is networked with the soccer and football teams that are now active on Sherwood playing fields
- There are social networks active at High Cliff State Park around specific sports or recreational activities – e.g., fishing, boating, wind surfing, biking, etc. – that the sporting goods store operator can plug into
- Either the entry to the park is moved so most park visitors will drive through Sherwood's main commercial nodes or an effective advertising or way-finding program is implemented to increase awareness among park users of the shops in Sherwood
- The sporting goods store operator joins with other Village firms in a niche marketing effort that can penetrate deeply into a much larger trade area.

The best location for such a sporting goods store depends on how it will operate. If it depends heavily on customers coming to it, then a location on WIS 114, probably near Castle Drive or even the old downtown probably would be best. But, if park users account for the vast number of its customers or if its competitive advantage is built on strong customer service that is based not only on strong interpersonal relationships, but also on online ordering and home merchandise delivery, then a location in the High Cliff area might be best. A proper study of the spending power of the parks' users would be very helpful. Given the right circumstances it is estimated that a sporting goods store around 2,900 square foot size could be supported.

Summary Matrix of Market Potentials

The market potentials described above are summarized in Figure 7 below, which provides a complete breakdown of the space demand estimates, along with an analysis of probable locations, types of co-tenants, and specific opportunities and challenges associated with each market segment or development opportunity.

The total estimated market potential for housing is between 216 and 527 units, which would translate into 47,300 to 115,940 square feet of space needs. In terms of office space it is estimated that the Village could support between 5,700 and 7,600 square feet of space in total. A childcare facility would require roughly 10,000 square feet of indoor space and an additional 15,000 square feet of outdoor space. Total retail space demand is estimated at between 26,600 and 31,900 square feet while personal services could require between 2,270 and 3,425 square feet of space. Finally, the “special scenarios” described above could support up to 6,300 square feet of space.

Economic Development Element	Estimated Amount of New Space (or Units)		Locations	Timing	Types of Co-Tenants or Synergistic	Opportunities & Challenges
	Low	High				
Housing						
Village (Units)	(216)	(527)	Village	By 2020-	*Food-related *Personal Services	Shift to multi-unit rentals
Downtown at 20% of Village (Units)	(43)	(105)	Downtown	2022	*Services	
Downtown: SF	47,300	115,940				
Offices						
Village (SF)	5,700	7,600	Village	2018	*Eateries, Drug Stores, Services	Leveraging Residents
Downtown at 50% of Village	2,850	3,800	Downtown			
Childcare Castle Drive / Wanick Node		10,000 in Bldg +15,000 Outdoors	Castle Dr / Wanick	By 2014	*Supermarket	Demonstrated Interest
Personal Services						
Hair Salons (SF)	1,200	1,700	Downtown	By 2014		Will Seek Smaller Spaces Which May Not Exist
Nail Salons	270	400	Downtown	By 2014		
Photographic services	350	525	Downtown	By 2017		Small Spaces, Low Rents
Personal Goods Repair	250	500	Downtown	By 2017		Small Spaces, Low Rents
Other personal services	200	300	Downtown	By 2017		Small Spaces, Low Rents
Retail						
Supermarket	15,000	15,000	Castle Drive / Wanick	By 2017		Demonstrated Interest
Specialty Foods	1,000	1,500	Castle Dr / Wanick	By 2017	*Supermarket, Housing, Convenience Store	Could go in Downtown Mixed Use Project
Gift Shop	1,200	1,700	Downtown	By 2017		More if High Cliff Park Users Can be Tapped
Jewelry store	500	700	Castle Dr / Wanick	By 2017	*Supermarket	
Used Merchandise Store	500	1,000	Downtown	By 2017		Low Rent, Parking, Highway Visibility
Full Service Restaurants	2,700	4,000	Downtown & Castle Drive / Wanick	By 2017	*Restaurant Cluster or Supermarket	Create Downtown Niche
Limited Service Restaurants	2,700	4,000	Downtown & Castle Dr / Wanick	By 2017	*Restaurant Cluster or Supermarket	Create Downtown Niche
Sufficiently Possible Special Opportunities Worth Considering						
Dry Cleaners - Special Scenario	1,400	1,400	Castle Dr / Wanick	By 2017	*Supermarket	None in Convenience Trade Area - Need Operator to Pick-up & Deliver
Pharmacy - Special Scenario	3,000	4,000	Castle Dr / Wanick	By 2017	*Supermarket	Need Saavy Small Format Operator
"Wildflower" Businesses - Special Scenario	2,000	2,000	Castle Dr / Wanick or Downtown	By 2020		Leveraging Residents, New and Old
Sporting Goods - Special Scenario	2,900	2,900	Castle Dr / Wanick or High Cliff	By 2020	*Special Market Segments	Need to Tap High Cliff Park Users

Figure 6 - Summary Matrix of Market Potentials

Market-Based Strategy

This section of the report provides a strategic framework for retaining and attracting both existing and new businesses within the Village of Sherwood. It is based on the market potentials identified above and an analysis of site-specific conditions relevant to successful economic development. The overall strategy includes the following three components:

Opportunity Areas

Four geographic areas were identified as priority areas for development based on an analysis of available land, access, and existing commercial activity or compatible land uses. For each area the project team identified target market segments most suitable for the area, as well as recommendations for improving the marketability of the area in order to attract and retain new and existing businesses.

Key Challenges and Core Strategies

Four key challenges and associated strategies to address those challenges are identified in the report. They are intended to underscore several of the critical findings from the market analysis and provide a framework for implementing and identifying additional actions over time.

Implementation Plan

The implementation plan is intended to operationalize the recommendations contained throughout this report. Short, medium, and long-term recommendations are presented for the Village's consideration.

Opportunity Areas & Targeted Market Segments

The results of the market analysis, presented in the previous section of this report, identified potentially viable development opportunities for Sherwood²⁸. An effective market-based strategy must also recognize and consider a number of additional factors, which affect development opportunities. These factors include site-specific considerations such as existing land uses, transportation networks, unique local assets and resources.

The project team identified site-specific development considerations through site visits, focus group discussions, local stakeholder interviews, and a review of existing plans for the community. Filtering the results of the market analysis using site-specific development considerations, four geographic opportunity areas were identified for Sherwood (Figure 8).

1. Historic Downtown
2. Wanick Park
3. High Cliff
4. Lower Sherwood/Robinhood Drive

²⁸ The study area is defined to include all commercial and residential areas bordering the Hwy 55/114 and CTH M corridors which run through the Village limits.

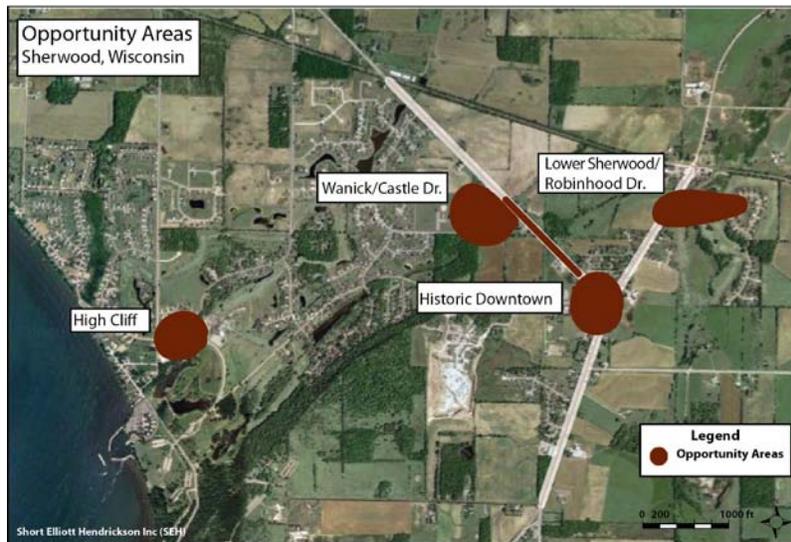


Figure 7 Sherwood Opportunity Areas

These areas are quite diverse in terms of their current condition and ability to absorb future development. They include opportunities to redevelop existing parcels, develop new properties, create stronger linkages within existing commercial nodes, and enhance the visual impression of downtown Sherwood.

Care should be taken, however, in terms of interpreting the recommendations contained in this section of the report. Any proposed land use changes as well as any significant new development must ultimately be in line with the community’s overall vision for the future. The recommendations contained herein should be fully vetted through local decision-making bodies. It was beyond the scope of this report to validate the level of community acceptance with the proposed preliminary development concepts and market opportunities, which were identified.

Historic Downtown Opportunity Area

Current Assessment

Sherwood’s historic downtown stretched along the current Hwy 55/114 corridor near the intersection with CTH M. This area still includes a few historic buildings as well as the older residential area of town. The historic downtown area is characterized by:

- Shorter blocks and narrower streets
- Older commercial architecture including a few two story brick buildings, as well as older residential architecture on smaller parcels
- A mix of services, restaurants, and limited retail, as well as a few community facilities including the post office, Village Hall and a small park
- Several vacant and a few underutilized properties at the center of historic downtown

As was briefly discussed earlier in the report, overall the downtown area faces significant challenges in terms of future redevelopment. The term “downtown” is applied in Sherwood to a very wide area, when normally elsewhere it is applied to dense, compact and predominantly

commercial districts. The project team recommends that most downtowns first focus on a core area defined by a 5-minute walk, about 1,320 ft, from the most central commercial point, the “100% corner” in the community. Applying that definition, using the area around the traffic island by High Cliff Studio as the focal point, Sherwood’s downtown does not measure very highly on a number of dimensions that are critical for being a downtown:

- Downtowns are supposedly pedestrian friendly. Sherwood’s has the 114 moat running through it, with significant traffic volumes often making people feel it is dangerous to cross. This makes it tough for firms to share the customer traffic with businesses across the road. Being able to share in each other’s customer traffic is supposedly one of a downtown location’s competitive edges
- Downtowns have dense compact development. Sherwood’s often has significant spaces between buildings and the buildings are not high. Sherwood’s buildings often have their parking either out front or to the side, a format more appropriate for auto generated, quick in and out trips and highway corridor locations
- It does not have a lot of businesses and several that are there are either not open until late afternoon, open only a few months of the year, or do not sell to local shoppers. There often are not that many places for a downtown visitor to look at or enter and almost no opportunity for window shopping
- The downtown’s buildings do not have “great bones” – they lack either historical or architectural distinction that could be leveraged in a redevelopment process
- Many small downtowns have very visible popular community spaces, like a park, square or village green, that are symbols of their community and where locals go to socialize with family and friends. Sherwood now lacks such a vital public space. Also, Wanick Park, with forthcoming improvements, now looks like the most likely location for such a public space to emerge.

Despite the challenges to historic downtown summarized above, the area possesses significant strengths as well. High traffic counts and high visibility, proximity to the church and the post office, and the diverse mix of existing viable businesses are some of the advantages which the historic downtown area should seek to leverage.

Prioritized Target Market Segments

While the historic downtown area retains some older buildings as well as a mix of businesses and older residential areas, as a commercial development area the lack of density, dangerous pedestrian conditions, heavy truck traffic, and lack of suitable buildings severely limit its overall attractiveness to retail, service, office, residential, and entertainment development.

A comparatively large amount of economic activity will have to be brought into the current downtown area to actually enable it to function as a real downtown. The current commercial growth potentials – which will be detailed below -- may not be enough to fill the Castle Drive/Wanick Park commercial node and the downtown at the same time. Consequently, it may be time to ask whether or not it would be better to rethink, re-task and rebrand Sherwood’s current “downtown” to something akin to Old Village or Old Town and to then just make it attractive and more successful economically?

Such a success may depend less on retail and personal services and, at least early on, more on community functions and residential development, with some additional commercial activity. It also may depend on a good plan, ample patience and resources, and 10 to 15 years to implement.

Based on the market analysis and the existing site-specific conditions, which characterize the historic downtown, the following list describes both niche market opportunities and civic improvements/community facilities, which are seen as potentially viable opportunities for the historic downtown.

The major challenge will be to redevelop the historic core at the junction of STH114/55 and CTH M. The re-design could be accomplished in different ways but will need to balance the objectives of walkability and related downtown design elements while recognizing and embracing the advantages that a high traffic corridor presents in terms of business development.

Housing

- Multi-unit

It is estimated that the downtown area can support between 43 and 105 units of new residential development by 2020-2022. Synergistic development opportunities include food-related businesses and personal services. Taking advantage of multi-family rental opportunities may be a challenge due to Sherwood's historically high reliance and comfort with single-family development patterns.

Offices

- Real estate
- Chiropractor
- Counseling
- Tutoring
- Accounting
- Etc...

The market analysis suggests the historic downtown area can support between 2,200 and 5,800 square feet of office space by 2018, likely smaller personal service spaces such as those listed above. Synergistic development opportunities may include eateries, drug stores, and personal services. Sherwood's relatively affluent population provides an opportunity to market office space to current residents who may be interested in having a nearby office space for tele-commuting and/or re-locating their existing offices closer to their own residences.

Personal Services

- Hair salons
- Nail salons
- Spas
- Personal goods repair

Estimates are the historic downtown area could support approximately 1,700 additional square footage of professional services, including 1,300 SF of hair salons in two locations as well as a nail salon (400 SF,

one location). One of the challenges to attracting these types of professional services is the lack of suitable space available currently. Prospective tenants may seek out smaller spaces than those available.

Retail

- Gift shop
- Antique shop
- Full service restaurants
- Limited service restaurants
- Jewelry store
- Photographic services

Estimates are the historic downtown area could support 1,000 square feet of gift shop space by 2017, as well as 3,800 SF of full service restaurants in one or two locations and 3,600 SF of limited service restaurants in one or two locations. Given the existence of several quality destination restaurants in Sherwood, there is an opportunity to create a downtown restaurant niche, which would strengthen the existing restaurant base while creating new offerings to serve both out of town and local consumers.

In terms of sites there is a house adjacent to Frogg’s which may be suitable for a small business, such as an antique shop. There is parking at the site and the owner expressed interest in accommodating other businesses in the area.

Another potential retail concept for downtown is a farm market building. The photo below is of a farm market/gift shop store located on a high traffic corridor in Woodruff, WI. The Wreath Factory in Menasha, WI is another local example. This type of business could leverage existing regional agricultural assets by serving as a retail outlet for locally grown/processed products and crafts, and/or as a site for a future farmer’s market. It could help generate activity in the downtown area in the short-term, prior to the realization of more ambitious longer term redevelopment efforts. A suitable site may be adjacent Frogg’s downtown (to take advantage of seasonal visitors) or at one of the empty parcels near the intersection of STH 114/55 and CTH M.

Table 39 Photo of Farm Market Building in Woodruff, WI



Civic Improvements/Community facilities

- Library
- Lifestyle/recreational center
- Destination attraction
- Folly

The market analysis did not examine either of the civic improvements bulleted above. These development concepts are presented to illustrate what types of civic improvements could help spur development within the historic downtown. These types of improvements may be especially critical to the long-term success of downtown given the likelihood that the Wanick Park area will continue to absorb the majority of future commercial development.

Civic improvements/community facilities would generate significant, on-going traffic to the downtown area, which would in turn support local businesses in the immediate area. A destination attraction or folly would also draw traffic to the downtown area, and could serve as a key draw for visitors to High Cliff State Park and other visitors to the area. Examples of a destination attraction or folly include a carousel, a climbing tower (such as the tower located within the State Park), or an oversized Adirondack lawn chair similar to the one adjacent the Pudgy Seagull. The identification of an appropriate destination attraction or folly would need to occur within the framework of a more detailed downtown design and development planning effort. The ideas provided here are examples only and were not generated by the community as part of this study.

“Wildflower Businesses”

- To be determined
- Yoga/Pilates
- Music/dance studios

Wildflower businesses are difficult to anticipate. They typically occur as local business activity picks up and local entrepreneurs begin to perceive that the community is indeed a good place to do business. These types of businesses are often creatively packaged, incorporating two or more different profit centers in order to remain financially viable. The results of the market analysis suggest that Sherwood could support 2,000 square feet of Wildflower space at two or three different locations including both the downtown and Wanick Park areas. As with office space, there is an opportunity to capitalize on Sherwood’s existing and new residents to exploit this opportunity for downtown.

A great example of a “Wildflower” business is Northwind Book & Fiber. According to their website Northwind Book & Fiber is...

...an independent bookstore

...a fine yarn shop with everything you need for your knitting and crocheting projects, including classes.

...a gallery featuring art and jewelry made by local artists.

...a place to find a unique gift...an educational toy or game...beautiful journals and stationery...interesting magazines...

...a place to come and relax, to meet friends, to discover something new.

Draft Concept

The downtown area will be challenging to develop commercially. Traffic generators such as additional residential development, community facilities, destination(s), or a folly will be needed to help attract visitors and shoppers to the area. Based on the market analysis and existing site conditions, the authors of this report recommend the area be developed as a Village square/Village center and include a strong civic component in addition to the types of viable businesses described above. The Village square/center concept could also serve as a gateway to High Cliff State Park if traffic were re-routed to encourage visitors to the historic downtown area. Shared parking could be provided for a range of business types and community facilities.

Key tenants in such a development could include the Post Office, a family style restaurant, a café, some professional office space, a yoga/dance studio, and some type of community facility. If additional High Cliff State Park traffic were generated then gift stores and other retail outlets could capitalize on visitor spending as well. Finally, adding additional residential units in the downtown as part of a mixed use development is seen as important to the long-term economic viability of the area.

Recommendations to Improve Marketability

Promoting development in downtown Sherwood will require significant public investment. There are several strategies which will need to be pursued simultaneously in order for the Village to lay the groundwork for new business opportunities while also supporting existing businesses.

Development of a more detailed downtown Master Plan/Downtown Development Plan should incorporate the recommendations below. Village residents and businesses should be engaged in a focused visioning exercise to set redevelopment priorities and to determine the overall look and feel of desired development. Future planning should build upon this study through a more detailed functional analysis of key development sites within the area. Concept plans should be created for those sites and used to guide future development. Developers need enough latitude to design and build successful projects, however, so future plans should be compatible with the Village's overall vision for the area without being overly prescriptive.

Land Use

- Create a community gathering space.
- Promote mixed use concept which includes a residential housing component.
- Focus community facility investments in downtown area to catalyze commercial development.
- Purchase and consolidate vacant and underutilized parcels.
- Clean up brownfields and remove blighted buildings.
- Consider phasing future redevelopment to concentrate commercial activity and uses along one side of the highway first. Concentrating development will help alleviate pedestrian safety concerns while accelerating a transition to a more identifiable “downtown”
- Analyze pros/cons of creating a “gateway” entrance to High Cliff State Park along Clifton Road to encourage more visitors to access the park through the historic downtown.
- Revise planning and zoning regulations as needed to allow for desired development to occur. Consider Planned Unit Development (PUD) approach for larger development opportunities in order to maximize regulatory flexibility and promote quality development.

Transportation and Connectivity

- Improve access and linkages to downtown, including Knight Drive extension and linkage to Kings Way.
- Create a more pedestrian and bike friendly environment including strategic placement of safe pedestrian crossings near existing areas with safety concerns.
- Provide bike amenities such as unique bike racks near existing restaurants in downtown area.
- Evaluate reconfiguration options for Clifton Rd/STH 114/55/CTH M intersection to make more pedestrian friendly.
- Consider closing Clifton Road access at STH 114/55 & CTH M intersection.
- Re-configure the road network to reduce heavy truck traffic, including a re-route of truck traffic from quarry out of the historic downtown area along Condon Rd. extension.
- Officially map ROW corridor along preferred local by-pass route to alleviate truck traffic in historic downtown.

Design

- Create design guidelines based on future master plan/downtown development plan.
- Promote zero lot line development where appropriate in order to create a pedestrian environment; develop shared parking in rear of buildings.
- Promote multi-story development with retail/commercial/community facilities on first floor and office/professional services above.
- Design outdoor seating areas adjacent existing/proposed café/restaurant development(s). Locate new outdoor seating adjacent new community gathering areas and/or sidewalks.
- Provide an integrated streetscape design linking Jeanne's Bar to STH 114/55 & CTH M intersection to Wanick Park.
- Strengthen physical ties between existing civic cluster (Village Hall/Community Center/Fire Station) and core downtown area through streetscape and other design enhancements.
- Provide landscaping enhancements including beautification of pedestrian island.
- Use future downtown development plan/master plan to ensure that enhancements are made to existing underutilized parcels and to parcels immediately following demolition of blighted buildings.
- Install decorative lighting.
- Install accent paving in cross walks.
- Provide way-finding signage to direct visitors to key shopping, recreation destinations within Village.

Figure 8 below summarizes several of the key land use, transportation, and design recommendations for the historic downtown opportunity area.

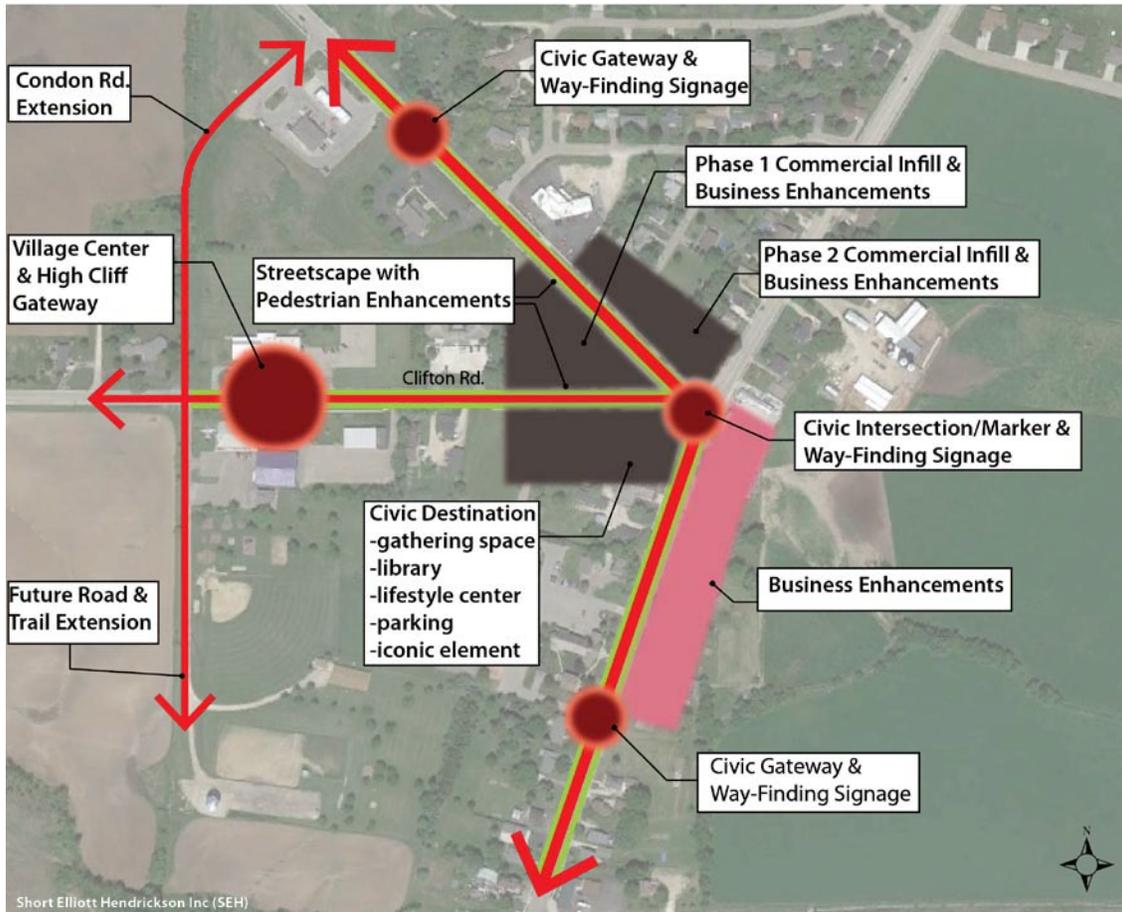


Figure 8 Historic Downtown Area Draft Concept

Wanick Park Opportunity Area

Current Assessment

The area near Castle Drive (hereafter referred to as the Wanick Park area) includes a small strip mall and several newer commercial establishments. The Wanick Park area is characterized by:

- Newer commercial buildings, including a mix of retail and services.
- An automobile-oriented physical landscape with little pedestrian/bike linkages limiting mobility within the area.
- A somewhat hap-hazard land use pattern with little thought given to the relationship between individual parcels.
- A lack of coherent design in terms of signage, building types, etc...

The Wanick Park area faces some of the same challenges that the downtown faces, including a spread out development pattern which limits the amount of spillover shopping likely to occur as customers must make a separate driving trip if they choose to visit more than one establishment during a single trip.

As is the case downtown, the Wanick Park area also currently lacks a visible, popular community gathering space, which can generate trip traffic and attract businesses. With the planned investments in Wanick Park, however, this situation is poised to change. With the completion of Castle Drive linking the new Wanick Park to the existing commercial establishments in the area, additional traffic is poised to benefit both existing and new businesses. The Wanick Park area also possesses a number of additional assets/strengths, including its proximity to the existing trail network in the High Cliff neighborhoods which provides easy pedestrian/bike access for local residents to patronize businesses in the area. The proximity to STH 55/114 also provides great visibility and significant traffic flow. Visitors to High Cliff State Park, commuters into the Appleton MSA, and local Sherwood residents all pass by the Wanick Park area. Finally, compared with downtown, businesses in the Wanick Park area are more likely to be able to capture residential spending from Sherwood residents, the majority of which live closer to Wanick Park than downtown.

Prioritized Target Market Segments

With the planned improvements in Wanick Park and the likelihood of near term development along Castle Drive including a potential grocery store, the Wanick Park area is likely to capture the majority of short-term growth opportunities within the Village. Because additional businesses will want to take advantage of the trip generation created by the proposed grocery store and daycare facility, they will likely look to that area instead of the downtown.

Based on the market analysis and the existing site-specific conditions, which characterize the Wanick Park area, the following list describes both niche market opportunities and civic improvements/community facilities, which are seen as potentially viable opportunities for the Wanick Park area.

Offices

- Real estate
- Chiropractor
- Counseling
- Accounting
- Etc...

The market analysis suggests the Village can support between 5,700 and 7,600 square feet of office space by 2018. Assuming 50% of that office space is provided in the historic downtown area (or elsewhere) then between 2,200 and 5,800 square feet could be supported in the Wanick Park area.

Synergistic development opportunities may include eateries, drug stores, and personal services. Sherwood's relatively affluent population provides an opportunity to market office space to current residents who may be interested in having a nearby office space for tele-commuting and/or re-locating their existing offices to their own community. During the focus group meetings it was stated that the Wisconsin Department of Natural Resources (WI DNR) may be interested in leasing office space in the future. Finally, as discussed earlier in the report, outdoor oriented professionals may find Sherwood an attractive location to re-locate or start a business.

Childcare

A childcare facility has been proposed for the Wanick Park area. The facility would be roughly 10,000 SF and require up to another 15,000 SF in outdoor play space. The proposed grocery store would likely be located adjacent the facility along Knight Drive. The other existing sites in the area may not be suitable for a childcare facility because of their size. One challenge facing childcare development is the apparent lack of support for such a facility among some residents of Sherwood.

Retail & Personal Services

- Grocery Store
- Pharmacy
- Specialty Foods
- Dry Cleaners
- Sporting Goods

Estimates are the Wanick Park area could support 15,000 square feet of grocery store space in the near term. There is demonstrated interest in developing a grocery store at the site and the Village has an excellent opportunity to help move the project forward.

The market analysis also suggests that the Village could potentially support a small pharmacy less than 4,000 SF in size. It is estimated that a pharmacy would go into the Wanick Park area by 2017, within 2-3 years of the grocery store development. One of the key challenges for this type of development is the need for a small format operator. A smaller pharmacy would require hands on owner management knowledgeable about Sherwood customers and the local marketplace.

Another synergistic business opportunity near the proposed grocery store is for a specialty foods store, which could materialize by 2017. It is estimated that the Village could support 1,200 SF of space in that category.

According to the market analysis, 1,400 SF of dry cleaning space could be supported in Sherwood by 2017. There is an opportunity for a dry cleaning business to take root in Sherwood because there are no such establishments within the custom trade area currently. A successful dry cleaner would depend on having a specific type of operation, including pickup and delivery, as well as excellent service. A fairly sophisticated operator would be required to take advantage of the market opportunity which exists.

Finally, again under the right conditions, it is estimated that 2,900 SF of sporting goods retail could also be supported in the Wanick Park area. This type of venture would require tapping into visitors to High Cliff State Park and other recreational shoppers such as cross-country skiers, bikers, sailors, fishermen, hikers, bird watchers, etc...

Other

- Existing business expansion

The market analysis did not capture market opportunities associated with existing business expansions. However, during the focus group discussion it was noted that one existing business may be interested in expanding their facility in the Wanick Park area. However, it may be a challenge for the Village to accommodate a larger business expansion in the area depending on the space requirements and the impact of Castle Drive.

“Wildflower Businesses”

- To be determined
- Yoga/pilates
- Music/dance studios

Wildflower businesses are difficult to anticipate. They typically occur as local business activity picks up and local entrepreneurs begin to perceive that the community is indeed a good place to do business. These types of businesses are often creatively packaged, incorporating two or more different profit centers in order to remain financially viable. The results of the market analysis suggest that Sherwood could support 2,000 square feet of Wildflower space at two or three different locations including both the downtown and Wanick Park areas. As with office space, there is an opportunity to capitalize on Sherwood’s existing and new residents to exploit this opportunity.

A “wildflower” business in the Wanick Park area might leverage local assets such as the proposed day care facility, planned improvements for Wanick Park, future activities programmed in Wanick Park, etc...

Recommendations to Improve Marketability

Promoting development in the Wanick Park area will likely be much less difficult than in the historic downtown area, especially if the proposed grocery store materializes as additional growth will likely follow suit.

A significant challenge facing the Wanick Park opportunity area is how to further develop it in a coherent manner, which promotes quality development, integrating well with existing businesses, adjacent residential areas, and Wanick Park itself. The Village should also consider ways to leverage the likely success of the Wanick Park commercial area to support overall economic development efforts – especially in the historic downtown. For example, the Village could design and construct a downtown streetscape which would connect Wanick Park and the historic downtown. The streetscape project could include a downtown gateway feature near the entrance to Castle Drive.

Land Use

- Create an attractive entrance into the area off of STH 55/114.
- Promote quality signage for individual businesses.
- Consider installing one or more combined multi-business signs along HWY 55/114.
- Develop way-finding signage that clearly identifies the Wanick Park commercial node, as well as signage directing visitors/shoppers to other key shopping/recreational areas in Village.

Transportation and Connectivity

- Develop functional, attractive pedestrian/bike linkages serving existing and proposed new business.
- Extend Knight Drive to Condon Road extension and Village Hall area.
- Add bike/pedestrian trail connections to other residential areas within Village.

Design

- Create a unified “downtown streetscape” linking Wanick Park to historic downtown area.
- Provide attractive landscaping, especially at main entrance to area.
- Integrate various design elements to create a shopping “district” to extent possible.

- Install decorative light fixtures and other improvements linking Wanick Park opportunity area to historic downtown opportunity area along HWY 55/114 corridor.
- Promote consistent lighting standards and other design elements across linking Wanick Park area to historic downtown area.
- Shield parking areas with attractive landscaping; promote shared parking where feasible.
- Promote rear parking for future commercial development in order to create an attractive corridor along Knight Drive abutting Upper Wanick Park.

High Cliff Opportunity Area

Current Assessment

The area around High Cliff Golf Course was originally intended to be developed as a golf course complex with a variety of complementary businesses supporting a destination entertainment area. The High Cliff area is characterized by:

- Its situation within a very residential area of the Village.
- Two small separate commercial nodes including the golf course itself and the ice cream shop/hair salon node.
- Good pedestrian and bike access via an extensive trail network.

The High Cliff area is challenged by a scattered development pattern, which makes it difficult for existing businesses to share customer traffic and a lack of way-finding signage linking the area with other commercial areas in the Village. The area also suffers from being so far off the beaten path with little traffic to support commercial development. Therefore, destination type businesses may have a better chance to survive in the area, as well as businesses which can draw visitors from the High Cliff State Park and/or capitalize on a “having fun” or leisure/recreational niche.

The High Cliff area also possesses a number of additional assets/strengths, which will support additional development. Several are summarized below:

- Proximity to High Cliff State Park, Lake Winnebago and the marina.
- Extensive outdoor and recreational amenities.
- Proximity to residential housing.
- An excellent golf course and associated businesses.

Prioritized Target Market Segments

Future plans for the area include the golf course coming under new ownership and management. If the golf course becomes more financially viable and as additional proposed improvements are made, the area may become even more attractive for business development. Based on the market analysis and the existing site-specific conditions, which characterize the area, the following list describes market opportunities for the area:

Housing

- Single family
- Multi-unit

It is estimated that the entire Village of Sherwood can support between 216 and 527 units of new residential development by 2020-2022. A significant portion of that growth will likely occur in the residential subdivisions located adjacent the Wanick Park/High Cliff area.

With its proximity to the lake, State Park, trails, golf, and other amenities the area should be attractive to developers of higher end multi-unit housing including senior living. Again, there may be a demand for nice multi-unit housing in the area.

Retail

- Sporting Goods store

As discussed in the market analysis there is some market potential for a properly oriented and well run sporting goods store. Such a store may fit nicely into the High Cliff opportunity area if it can take advantage of State Park and golf course visitors.

Hotel/Entertainment

- Hotel

It was beyond the scope of this study to explore market potential for a hotel. However given the original plans for the area, proximity to High Cliff and Lake Winnebago, the golf course and other recreational amenities, a hotel/entertainment may make sense for the area. Additional analysis should be done by the Village before committing to such a project financially.

Recommendations to Improve Marketability

Land Use

- Conduct a feasibility study for a hotel or other desired development.

Transportation and Connectivity

- Develop functional, attractive pedestrian/bike linkages serving existing and proposed new business.
- Strengthen connection to marina by providing rental cruiser bikes for boaters to utilize when docked.
- Explore concept of an electric park shuttle or neighborhood electric vehicles which could carry park visitors from park to golf course to Wanick Park to downtown.

Design

- Promote quality signage for individual businesses.
- Develop way-finding signage.
- Create a unique look and feel for the area to support it as a destination.
- Tie design recommendations into branding strategy to support leisure/recreational/dining niche which can draw customers from a larger trade area.

Lower Sherwood/Robinhood Drive Opportunity Area

Current Assessment

The lower Sherwood/Robinhood Drive is predominantly residential in nature with a few commercial buildings, agricultural sites, and railroad crossing. The area is characterized by:

- A lack of formal “gateway” signage leading into the Village.
- A small, attractive commercial node at the northern entrance to the Village adjacent the railroad tracks.
- Excellent views and natural scenery.
- A mix of newer residential development located in the subdivision east of the golf course along Robinhood Drive and Robinhood Way, transitioning to older residential housing as one approaches the historic downtown.

From a development standpoint the area is somewhat limited by the current zoning code, which primarily identifies single-family residential development as the preferred land use.

The area does possess a number of additional assets/strengths, which may make it attractive, especially for multi-unit residential development such as senior housing. These assets include:

- Proximity to Sherwood Golf Course.
- Proximity to existing high quality residential housing.
- Walking distance to downtown.

Prioritized Target Market Segments

Based on the market analysis and the existing site-specific conditions, which characterize the area, the following list describes both niche market opportunities for the area:

Housing

1. Multi-unit
2. Single family residential

It is estimated that the entire Village of Sherwood can support between 216 and 527 units of new residential development by 2020-2022. A significant portion of that growth will likely occur in the residential subdivisions located in lower Sherwood adjacent the Wanick Park area.

However, there may be good opportunities to develop residential housing within the Lower Sherwood/Robinhood Drive opportunity area as well. For example, there are two attractive sites for future residential development including 1) four adjacent parcels on Robinhood Way and 2) a larger single parcel located to the east of CTH M halfway between Nottingham Way and Robinhood Drive.

Recommendations to Improve Marketability

Land Use

- Provide a gateway entrance at the northern entrance to the Village near where CTH M crosses the railroad tracks.
- Consider zoning changes to allow for certain types of desired multi-unit residential development.

- Consider combining vacant parcels along Robinhood Drive to make parcel desirable for a multi-unit developer.

Transportation and Connectivity

- Develop functional, attractive pedestrian/bike linkages connecting lower Sherwood to Wanick Park, Sherwood golf course, and DT.
- Should development materialize additional sidewalks should be put in place.

Design

- Develop way-finding signage to and from downtown.



Figure 9 Attractive Gateway Signage on STH 115/55

Key Challenges and Core Strategies

Based on the market analysis and an assessment of the four opportunity areas described above, the project team identified the following key challenges and core strategies below as most relevant to Sherwood’s overall economic development efforts. In order to attract desired development the Village should pursue a multi-pronged strategy to address the key challenges described below. The strategy should include both organizational capacity building activities and further research and analysis especially with regard to the historic downtown area. Concurrent with these two efforts the Village should continue taking steps and making investments to improve the attractiveness of the community from a business perspective, in a manner that also positively impacts existing residents overall quality of life.

Key Challenge #1: The dispersed nature of commercial development

As previously touched on in this report, one of Sherwood liabilities is that it lacks a concentrated commercial district where businesses can share customers. Not only is development dispersed throughout the community, but patronizing multiple businesses on one trip is further complicated by poor pedestrian connectivity within existing commercial nodes, as is the case in the Wanick Park/Castle Drive area. Fragmented commercial development is underscored by the lack of way-finding signage and an insufficient local roadway network, which makes access to businesses difficult.

Core Strategies

- Concentrate development in high priority opportunity areas or commercial nodes such as those discussed within this report.
- Develop way-finding signage to link commercial nodes with each other and to local destinations such as High Cliff State Park and both golf courses.

Key Challenge #2: An underdeveloped local transportation network

Transportation is a critical ingredient in fostering successful development. The existing network of local roadways has not kept pace with the Village's growth over the past few decades, resulting in an over reliance on STH 114/55 to move local traffic and contributing to an unsafe pedestrian environment in the historic downtown area. Furthermore, the local road network does not provide adequate access to existing businesses and available commercial properties.

Core Strategies

- Plan for and begin building additional local road capacity.
- Provide better pedestrian accommodation, especially in and around the historic downtown area and the Wanick Park/Caste Drive commercial node.

Key Challenge #3: Lack of organization and dedicated resources

Organizations and networks comprising local residents, business owners, and community leaders often drive successful development efforts, especially in smaller communities. These organizations often take active roles identifying supportive local policies, helping recruit desired businesses, promoting tourism, polishing up dilapidated buildings or other eyesores, and organizing events such as farmer's markets. By involving a wide range of participants, they also leverage existing local assets by helping focus and coordinate resources around priority economic development projects and initiatives. Sherwood currently lacks an organization or business network focused on promoting economic development through these types (and other types) of activities.

Core Strategies

- Develop the organizational capacity to promote both community-wide economic development efforts as well as those focused on the historic downtown area.
- Invest in professional staffing to support local development efforts especially in the early stages.

Key Challenge #4: Lack of commercial identity

While Sherwood supports a diverse mix of businesses, it lacks a strong identity as a commercial destination. Successful commercial niches create an identity for a community or destination, providing additional marketing opportunities to draw in more customers. Sherwood also suffers from its current physical appearance. This is especially true in the historic downtown area, where several buildings are currently in various states of disrepair alongside a few highly visible, seemingly abandoned commercial parcels. The run down "feel" of the historic downtown area undermines both existing and potential new businesses by signaling to consumers that the area is deteriorating.

Core Strategies

- Enhance the physical attractiveness of Sherwood as a business location in order to signal to visitors, business owners, and developers that Sherwood is a good place to shop, own a business, and invest in.
- Strengthen the convenience niche through the addition of a grocery store, pharmacy, dry cleaner, and other businesses.
- Create and market a "having fun" niche, which builds off of existing business strengths.

Implementation Plan

Over the past two decades the population of Sherwood has grown rapidly, primarily supported by single-family residential development. Commercial and other types of development, on the other hand, have not fully benefited from the Village's population growth. This trend is particularly evident in the historic downtown area, which like many smaller communities, has struggled to maintain its economic vitality.

The purpose of this study was to develop a market-based strategy for downtown re-development. The Village chose to define "downtown" very broadly, however, and therefore the strategy component of this report includes both a broader focus relevant to the community as a whole, and a more detailed focus on the downtown, one of four "opportunity areas" described earlier in this report.

This section of the report summarizes specific short, medium, and long-term recommendations to attract the market segments identified earlier in the report. By providing a timeframe for implementation, they are intended to operationalize both the core strategies described above and the more detailed recommendations identified earlier in the report for each of the Village's four opportunity areas.

It is important to underscore the fact that these target market segments or "market opportunities" were identified based on economic analysis only. Additional planning is needed in order to ensure that these opportunities are in line with community values and neighborhood specific concerns.

Overall, as the Village takes steps to implement the recommendations contained in this report, it should continue to implement and promote development consistent with the Village's 2030 Comprehensive Plan. It should use existing policy documents such as the capital improvements plan (CIP), comprehensive plan, pedestrian plan, the zoning code, and other planning/policy documents to support plan implementation and to ensure consistency with the Village's long-term vision for the future.

Short-Term Recommendations (0-2 yrs)

1. **Initiate a dialogue with Wis DOT to discuss potential "win-win" approaches to transportation planning and corridor preservation along STH 55/114.** Despite the recent setback to transportation planning efforts, the issue still remains and will ultimately need to be solved cooperatively. WisDOT may be willing to support alternative approaches (such as a preservation study to help identify local circulation options, access mapping, bypass mapping, pedestrian accommodation, left turn elimination, etc...) if the Village is willing to take steps such as limiting access by closing off the Clifton Road/STH 55/114/Clifton Road intersection, etc....
2. **Pro-actively plan for Sherwood's transportation future.** Identify and officially map local roadway connections, primarily North/South connections to reduce traffic and trips on STH 55/114. See transportation appendix – exhibit 5 and for illustration of potential routes that could be mapped. Engage community with alternatives and solutions. Identify access management strategies, update and fund Village's bike/pedestrian plan.
3. **Make targeted investments to improve the image of the historic downtown area.** Successfully redeveloping the historic downtown area will likely take several years. In the meantime it is important that the Village (at the request and with the involvement of local businesses and other key downtown stakeholders such as the Church and area residents) take short-term steps to enhance the downtown area such as fixing up dilapidated buildings, cleaning up empty parcels, and renovating the STH 55/114/CTH M pedestrian island. Conveying to business prospects (and existing businesses) that Sherwood is a viable business location is important.

4. **Build capacity to support downtown redevelopment efforts.** Seek knowledgeable and interested businesses, residents, and community leaders to provide leadership for long-term *downtown* place-making and redevelopment efforts. These individuals could serve as a steering committee overseeing a Downtown Development and Design Plan. Fund a part-time economic development staff person or consultant to support downtown and community-wide development efforts. Consider forming a consortium with other east Lake Winnebago communities such as Stockbridge, Pipe, Brothertown to fund position.
5. **Strengthen relationship between Village and existing businesses in order to support additional local development efforts.** Consider providing part-time staffing to facilitate formation of a local development organization to serve existing business interests and promote *community-wide* economic development efforts. Such an effort could begin with quarterly networking events facilitated by the UW-Extension CNRED Educator or an economic development consultant. This group could support or lead branding/niche development efforts, way-finding signage, and related efforts to enhance local business activity.
6. **Conduct a High Cliff Visitor Profile and Economic Impact Study to characterize visitors, their spending patterns, and shopping habits.** Consider working with the Calumet County UW-Extension CRD Educator and the High Cliff State Park Friends group to conduct a focused study. Use the results to develop strategies to capture more visitor spending in local economy and to more fully engage the Park in on-going economic development efforts in the community. Also, review the DNR process for bidding marina operations in order to develop a better understanding of decision making criteria and how best to promote the marina as an asset to support community economic development efforts.
7. **Conduct a detailed Downtown Development and Design Plan to identify desired development in historic downtown core.** Use results to attract and recruit developers. The study should achieve the following objectives:
 - a. Identify an overall preferred identity, look, and “feel” for the historic downtown core area and its linkages to Wanick Park and the Village Hall/Community Center.
 - b. Establish appropriate downtown gateway design features.
 - c. Create a shared vision for the downtown among community leaders, Sherwood residents, downtown businesses, and property owners.
 - d. Establish design guidelines.
 - e. Identify specific pedestrian safety improvements.
 - f. Develop concept site plans for key properties including those already acquired by the Village.
 - g. Identify appropriate community facilities and destination attraction to support future redevelopment efforts and attract developers.
 - h. Identify image-building activities and programs to support on-going economic development efforts in the downtown.
 - i. Identify events and other activities to educate and engage Sherwood businesses and residents in order to support long-term investment.
 - j. Refine financial recommendations included in this report including use of TIF, State/Federal grants, loans, and tax credits.

8. **Perform a traffic engineering analysis to identify feasibility of closing Clifton Rd at STH 114/55 intersection.** Develop cost estimates and seek cooperation from Wis DOT to implement preferred alternative.
9. **Plan for re-route of sand and gravel truck traffic out of downtown along proposed Condon Road extension connecting Clifton Road to STH 114/55.** Complete planning and design and identify funding for Condon Rd. extension. Consider using a special assessment to fund proposed improvements.
10. **Develop way-finding signage to enhance connectivity between commercial nodes, Village gateways, marina, and High Cliff State Park.** As part of this effort examine potential for re-routing High Cliff State Park traffic in order to more fully benefit Sherwood businesses.
11. **Develop attractive community gateway at northern entrance to Village near intersection of railroad tracks and CTH M.**
12. **Create a new TID overlapping planned commercial growth area along Knight Dr.** Use a second TID to capture anticipated tax increment growth and “donate” funds to support redevelopment of downtown.
13. **Create a new TID in the historic downtown area.** Create a slum and blight TID in the historic downtown area in order to receive “donated” tax increment from Wanick Park area and to make the Village eligible for potential State grants.
14. **Develop and implement a recruitment program to attract desired businesses to Wanick Park area.** Additional commercial land will become available upon completion of the Wanick Park improvements in 2013. The Village and local business leaders should begin recruitment efforts focusing on desired businesses with market potential identified in this report (including those identified as part of the convenience niche). Use successes to build organizational momentum, develop leadership, and establish Sherwood’s identify as an increasingly viable commercial part of the Fox Cities.
15. **Conduct neighborhood level planning with residents of lower Sherwood/Robinhood Drive area.** While this area of the Village may be attractive for a multi-unit developer, area residents should be actively engaged early on in the process if this idea is to be pursued.
16. **Consolidate results of previous planning efforts for the purposes of developing marketing materials promoting investment and redevelopment opportunities in the Village.** Assemble data to establish a “Three Click” retention and attraction guide and process which makes identifying and downloading relevant business information quick and easy. For example, design a one page PDF summary of key business indicators and link to it from the Village’s homepage. Embed links to more detailed data sets within one page summary for those searching for specific information.
17. **Review sign and appearance ordinances and assess need for changes or updates.**

Medium-Term Recommendations (2-5 yrs)

18. **Re-route sand and gravel truck traffic out of downtown along proposed Condon Road extension connecting Clifton Road to STH 114/55.** Construct road.
19. **Construct local roadway connections.** Additional local roadways will provide better access to Wanick Park and other public and private destinations across the Village. As the Village (and surrounding areas) continue to grow an effective local road network will become critically important.

20. **Officially map long-term solution for STH 55/114 through Sherwood’s downtown** (200’-300’ width for alternate route/bypass).
21. **Construct downtown improvements along STH 114/55.** In conjunction with next road rehabilitation work, install bump outs and other strategies to improve pedestrian accommodation in downtown area and support redevelopment efforts. Implement access management strategies.
22. **Create and begin to implement a branding strategy for the Village of Sherwood.** Consider potential for branding Sherwood as a leisure/recreational destination. Explore and refine “having fun niche” which could leverage strengths of existing restaurants, golf courses, and other businesses, which draw from a larger trade area. Begin to seek out and recruit supportive niche businesses such as hotel, spa/fitness club, sporting goods, women’s clothing, arts and crafts. Investigate and learn from other communities (E.g., Kohler, Wis). A marketing plan, financial resources and staff will be needed to support the strategy. For a more detailed discussion of niches and their potential for growing Sherwood’s economy see the appendices.
23. **Make space available and promote a farm stand/farmer’s market in the historic downtown area.** A medium term solution for stimulating the downtown area could include a farm stand or other small retail outlet featuring agricultural and food products from the region.
24. **Create a downtown streetscape with signature “civic intersections” and “downtown gateways” connecting Wanick Park and historic downtown.** Include formal trail linkages and additional local roads to provide better connectivity between two areas.
25. **Recognize the Village Hall/American Legion Park area as a civic cluster.** Strengthen the image of area as a civic cluster and gateway linking downtown and High Cliff State Park.
26. **Strategically plan for future Village investments in community facilities to be located downtown** (such as post office, library, senior/recreational center, etc...) and to serve as anchor tenant(s) for downtown developer. Utilize as incentive to attract private developers and make commercial rents more affordable.
27. **Invest in a “destination” attraction or folly to help catalyze redevelopment of historic downtown.** Some type of destination attraction located in the public realm in the heart of downtown could help catalyze redevelopment – especially if done in conjunction with other private sector investment. The Village could explore destination themes which relate back to High Cliff State Park or the natural or cultural heritage of the community.
28. **Conduct a hotel feasibility study.** Depending upon the situation at the High Cliff Golf Course, a feasibility study should be conducted to evaluate the potential for a hotel to be located in the High Cliff or historic downtown area.
29. **Develop and implement a marketing program.** Work with High Cliff State Park and other stakeholders to develop a joint effort marketing program to grow outdoor based tourism.

Long-Term Recommendations (5 + yrs)

30. **Construct alternate route/bypass.** The Village should take advantage of its opportunity today to officially map its own preferred bypass route for STH 55/114. The Village could map the route in a manner conducive to downtown redevelopment efforts. If the Village takes the initiative to map its own route now, it may become the de facto preferred route for Wis DOT when STH 55/114 expansion becomes necessary.

Appendices

The Importance of Niches

Transportation Exhibits

The Importance of Niches

This section of the report is intended to provide additional background on the importance of niches and their relevancy to Sherwood's short and long-term economic development efforts.

What They Are

A niche is a group of businesses that represent a specialization that allows a downtown to gain dominance in certain categories of the retail market.¹ A strong downtown niche provides consumers a large selection, though within a limited range of merchandise and services. For example, Waynesville, OH, a town comparable in size to Sherwood, has had a huge antiques niche since the 1960s. Successful communities often have two or three successful niches. These communities also benefit from an expanded trade area as their niches often draw customers from more distant communities. Once a niche is established, other businesses are frequently attracted to the community as they are interested in selling to the same targeted consumer segments with which the niche has proved success.

Why They Can Be Important

Consequently, the shops in the niche constitute a specialized shopping center with the magnetism of a strong shopping destination. Strong downtown niches are known to draw many customers from over 40 miles away.

The key to the strength of any retail niche is not the number of stores, but the amount of variety they can provide within the limited range of merchandise and services that defines the niche. Price variation also makes a niche more attractive. Retail niches can last from just a few years to more than 50 years. Moreover, the disappearance of a previously strong niche may not signal economic erosion, but that the niche has done its job and even stronger merchants are entering the district. Often the success of these niches makes the downtown a much more attractive business location. The net result is increased demand for local retail spaces and increased rents.

Niches in Sherwood

The components of one of Sherwood's potential niches, perhaps it's most strategically important, have already been discussed above. The grocery store, drug store, dry cleaner and specialty food store can all be components of a "convenience niche. This niche, in contrast to most other niches, usually is focused on serving the local population. Strong convenience niches provide an important quality of life asset for local residents. Furthermore, if any niche is to be viable in communities of Sherwood's size, it is this one. They also draw relatively large amounts of customer traffic and the visibility of this traffic often is a critical factor in attracting other businesses.

For example, a successful convenience niche could also help the development of a "having fun niche" in Sherwood. Many components of this niche are already in Sherwood. As was shown earlier, there are within the CTA two NAICS categories -- drinking places and "other amusements" (e.g., bowling, golf, fitness) that have revenues exceeding what this trade area's residents are now spending at such businesses. Several operations in these categories -- Shenanigans, the two golf courses, The Outpost Pub, Jeanne's Bar -- are in Sherwood. This means these businesses must be reaching significantly into a much

¹ This write up on niche development takes direct quotes from the UWEX's Market Analysis Tool Box article that was written by N David Milder with Bill Ryan. See: <http://fyi.uwex.edu/downtown-market-analysis/putting-your-research-to-work/niche-development/>

wider trade area and pulling patrons into the CTA. As can be seen in Table 36, by reaching into these larger trade areas they have much larger populations and pools of expenditure dollars they can compete for.

Table 1 Greater Expenditure Potentials a Having Fun Niche Could Tap

Having Fun Niche	Trade Areas		
	CTA	10 Min	15 Min
Populations	6,081	24,483	112,885
NAICS Categories	Consumer Expenditures		
Drinking places (alcoholic beverages)	\$537,122	\$1,817,225	\$7,328,610
Other amusement (bowling, golf, fitness)	\$1,733,152	\$5,863,714	\$23,647,529
Linked with:			
Limited-service eating places	\$5,009,974	\$16,950,072	\$68,357,240
Full-service restaurants	\$5,274,968	\$17,846,617	\$71,972,880
Sporting goods stores	\$966,021	\$3,268,306	\$13,180,617
Personal care: Fitness, spas, piercings	\$217,930	\$737,313	\$2,973,481
Beauty salons	\$824,072	\$2,788,054	\$11,243,828
Nail salons	\$150,870	\$510,432	\$2,058,501
Source: ScanUS			

The project team’s experience across the nation with niche retail growth suggests that Sherwood’s operations in these two categories can be meshed with Sherwood’s eateries, salons, spas, and sporting goods establishments (current and future) to create a strong marketing niche. Many of Sherwood’s eateries also are already drawing patrons from beyond the CTA. All of these firms demonstrate an ability to fight for and win market share in larger market areas. However, by banding together in a niche marketing effort they can each achieve significantly higher market shares and penetrate into more distant geographies.

A successful “having fun” niche would have positive spillover impacts on other consumer oriented businesses, which look for consumer “pulls” when considering a new location for their stores or the offices where they will provide services. Parks, concert halls, museums, rail stations, colleges, and high schools serve a similar function pulling in patrons from beyond the close-in market area.

Sherwood has a number of businesses that could be marketed under the mantle of a broadly defined leisure and recreation or “having fun” niche and they all report drawing 50+ percent of their patrons from outside of Sherwood. These include the Village’s restaurants and bars, its golf courses and bowling alley. Learning more about the ability of these firms to pull in patrons from relatively distant places will help legitimate Sherwood as a viable location in the eyes of commercial tenant prospects.

The growth of this “having fun” niche comes with some important potential outcomes for which there may not be local popular support, however. Essentially, this niche would be very much in the day tourism business and the addition of the hotel would thrust it into overnight tourism as well. This may disturb residents who want to retain much of Sherwood’s bedroom community character. Of course, the degree of this niche’s growth and the number of additional visitors it attracts will be an important variable in determining the severity of this potential problem.

Transportation Exhibits

Bump Outs

The photo below shows bump outs along State Highway 33 in downtown Horicon, WI and a County Highway in downtown Chetek, WI. Similar improvements could potentially be made to STH 55/114 as part of a broader effort to better accommodate pedestrians in the historic downtown area.

