Brodhead market analysis:
Business inventory and research
URBAN AND REGIONAL PLANNING 912: PLANNING WORKSHOP
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Brodhead Market Analysis

Overview

The City of Brodhead set out to begin a study of its local market.

Some reasons for the analysis include:
- Several vacancies in downtown.
- A more measured growth rate.
- Understanding of how Brodhead is doing overall.

Brodhead is pursuing a market analysis to better understand the retail, service, and business needs of the community, as well as its needs for residents and visitors. The entirety of Green County will be taken into consideration in other parts of the UniverCity Year program. However, the focus of this study will be on the retail and service business sectors of Brodhead and its surrounding trade area. The market analysis will be used to assess potential business development opportunities, effective promotional branding of the community, and to generally understand the types of business development that will contribute to the quality of life in this community.

Our role

We served more of an auxiliary capacity during the market analysis. The pieces that we focused on were only a small piece in a much larger project. Certain tasks were delegated to us from the beginning of the project. We would then individually tackle each of these tasks for the benefit of the market analysis at large.

As a result of this our work is much more heavily focused on elements that had not yet been obtained for the market analysis, and therefore looks quite different from what many of the other groups put forward. We had a more linear prompt, with a clear set of expectations and guidelines.

Our findings

The aspects of the market analysis we focused on were:
- Background Review
- Business Inventory
- Business Interviews

We used this information, as requested, to assist with the context surrounding the market analysis.
Background Review

The city of Brodhead, with a population of 3,293, is located in idyllic Green County, Wisconsin. The city’s natural aesthetics, historic downtown, and well-acquainted community members, which includes a substantial Amish population, is what makes it such a special place. The city encompasses two medical clinics, beautiful churches, proud businesses, numerous civic organizations, beautiful parks, and productive industry – including the world headquarters of Kuhn North America.

History of Brodhead

The city of Brodhead has always been an important location, perhaps even prior to European settlement. For instance, on the southside of town there is a historic marker for the Half-Way Tree, a bur oak supposedly identified by Native Americans as the halfway point between Lake Michigan and the Mississippi River. The railroad tracks, one of the most heavily used in the country at one point, cut east to west directly through the city and features a small historic museum. According to locals, the railroad was being wooed by two different towns and decided to split the difference, creating Brodhead. A nearby branch of the Sugar River was also diverted along a canal to a small hydroelectric generator supplied by a holding pond. Evidently this gave Brodhead the distinction of having electrical service before other larger cities in the region such as Chicago, and perhaps the first electrical service in Wisconsin. Although miniscule in size, the city of Brodhead has a very robust history.

Long-standing small regional chains or unique independent businesses

Brodhead is home to some unique longstanding businesses. One of these businesses is the Depot Museum, housed in a restored Milwaukee Railroad depot, built in 1881. The depot is on the former Mineral Point branch of the Chicago, Milwaukee, St. Paul & Pacific Railroad. This historic museum offers exhibits showing the many artifacts, photographs and documents from Brodhead’s rich past. Historic artifacts include vintage cheese making equipment, broom-making equipment, and displays from early Brodhead businesses.
Brodhead Amenities

Brodhead holds a large number of parks and trails. The Sugar River State Trail runs directly through Brodhead, a huge natural boon for the community due to its natural beauty and utility for exercise. Parks in the city itself, including Legion Park, Putnam Park, and Veteran’s Park, all provide excellent locations for community cohesion.

Many opportunities arise in the form of transportation infrastructure. Brodhead’s direct access to Hwys 11 and 81 create no small opportunity for establishing themselves as more than just a pass-through city. These highways create many opportunities for marketing, community engagement, or expansion. The Brodhead Airport is another major benefit, giving Brodhead the ability to quite literally draw in people from across the country.

There are many historic buildings and businesses located in Brodhead, including the Brodhead Historical Society. Such an asset is quite valuable when pulling in outside businesses. These buildings also create high potential for infill and redevelopment.
Economic Context

Although most of Brodhead is rural, the city is conveniently located within less than an hour or two of several major markets, including Madison, Milwaukee, Rockford, and Chicago. Although within close proximity of several markets, citizens of the community embrace Brodhead for its traditional identity, as they should. This identity unfortunately accompanies challenges concerning the economic viability of the city. These challenges are tantamount to those affecting many small communities across the country, which ultimately boils down to cultivating an economically viable downtown. The City of Brodhead is unique in that, unlike similarly-sized communities, Brodhead’s commercial vacancy rate is currently lower than 4%. A sub-4% commercial vacancy rate, especially for a city with over 200 businesses, is remarkable. While this is the case, after conducting extensive research to ascertain the underlying factors that created this phenomenon, all evidence points toward the need for an influx of commercial development. As many are aware, the words “commercial development” are often times attached to a negative connotation, especially for a smaller, tight-knit community.

Economic development in Brodhead is a cooperative effort between several partners, including the Brodhead Planning Commission, Brodhead Chamber of Commerce, Brodhead BID, and Brodhead Economic Development Committee (EDC). “In addition, the Brodhead City Council provides the services and policies that ensure a business’ long-term success.”

**Tax Increment Financing (TIF) in Business District**

As mentioned, Brodhead has faced challenges fostering economic development in the business district for many years, especially on the southside. To help battle such issues, the city does not hesitate to use the tools and powers authorized by State statues to promote the redevelopment of this area and prevent further deterioration. One of these tools is Tax Increment Financing (TIF), where the city defines an economic development focus area and gives subsidies to developers that build there. The expectation is that future property tax revenue increases from the defined area will result in a higher net revenue in the future.

TIF is a commonly used public financing method that often times bodes well for municipalities due to its tangible ability to promote economic development and redevelopment, making Brodhead a perfect case. Brodhead currently has two Tax Incremental Districts (TID) located within the southern portion of their business district – investment has been rare in this section of downtown. TID #4, for instance, is an area characterized by underutilized, deteriorated, and vacant parcels. Within the boundary there is also an abandoned and likely contaminated factory, an abandoned warehouse building, and a vacant former school building. TID #5 is quite similar, as it is saturated with underutilized, deteriorated, and undervalued parcels. The city hopes to attract redevelop to this area, a crucial step in revitalizing the downtown.
Brodhead has faced challenges sustaining economic viability for several years. While this is the case, the city continues to make positive efforts to improve the local economy. These efforts were first made formal with the creation of a “business improvement district” (BID) back in 1987, through Wisconsin Act 184. This statutory act allows municipalities to create and operate funding mechanisms or “business improvement districts”. Owners of commercial properties within a specific geographic area are assessed each year to generate funds used for promoting, managing, maintaining, and developing the district. Certain properties are excluded from the BID, such as tax-exempt properties like religious, public utility, or governmental properties, as well as properties exclusively used for residences. In the case of Brodhead, 50% of the body is funded by businesses in the BID ($1.80 per $1,000.00 of assessed value) while an astounding 50% is also matched by the city. The BID levy, matched dollar-per-dollar by the city, can apply toward a number of enhancement expenditures in the district. Per Mike Olson, President of BID board and CEO of Bank of Brodhead, the idea behind the city’s funding agreement is because, “the downtown belongs to, and should be enjoyed by everybody”.

The City of Brodhead is one of the smallest Wisconsin municipalities to have a BID and it has grown stronger every year since its creation. The BID has also only had four BID directors in its history, plus there has never been a paid employee. This really helps illustrate how committed Brodhead businesses and citizens are to their community.

Mayor Pinnow (a long-standing BID board member for 30 years) stated in a 2018 Interview with the Independent-Register that the downtown of his youth is not coming back. He recalled a grocery store, three pharmacies and two shoe stores doing business in downtown Brodhead. “It’s just not the same anymore”, noting declining “allegiances” to local businesses. This is likely a result of the insurmountable competition from online vendors, such as Amazon, that make business in downtown Brodhead difficult to sustain. He also indicated that people are indeed concerned about the downtown, but still shop online due to the overwhelming convenience.

While it is no secret that people are shifting towards online shopping, Mayor Pinnow, Mike Olson, and the Brodhead Business Improvement District Board show no signs of giving up. The BID board continue to explore methods that have the ability to effectively invigorate the downtown. For example, the BID is currently implementing initiatives like replacing second-story windows, chemically cleaning brickwork, and improving façades to make the downtown more attractive to promote new business. The BID board has also recently planted street trees and added flower barrels along the commercial corridor, as well as built a gazebo, a new wall,
and added plantings in the district’s park square. While these improvements will not single-handedly foster a sizeable economic advancement, community members have noticed the improvements and recognize the commitment of the BID to preserve the historic downtown buildings, while also improving the look of the downtown.

Regardless of the rapidness in which downtown Brodhead is economically strengthened, the BID never fails to bring people together. For example, the BID contributes to more than 50 days of events downtown such as a summer lunchtime concert series, an “ArtWalk” featuring local artists, and a Saturday farmer’s market. These events account for more than 90 vendors and 9,200 people weekly in Brodhead’s downtown.

As previously mentioned, Main Street-type retail shops are a dying breed and the BID board is well aware. With this in mind, they are wisely shifting away from aspirations of a traditional retail-driven downtown toward the cultivation of hospitality and entertainment businesses. For instance, the city is in talks with a developer who wants to open a small hotel downtown. This method meshes perfectly with Brodhead’s already event-centric downtown.
Past Research and Work Done

In addition to the boundless work and research various bodies such as the Brodhead Planning Commission, Brodhead Chamber of Commerce, Brodhead BID, and Brodhead Economic Development Committee have done for years, there have been other useful studies done to address economic development challenges in Brodhead, Wisconsin.

**Hotel feasibility study**

The City of Brodhead recently conducted a hotel feasibility study in which they received favorable results. The hotel feasibility study played a role in attracting an entrepreneur who is remodeling a church to be a 10-12 room bed and breakfast. The City will also be doing a feasibility study for a new hotel in downtown Brodhead. This is a step in the right direction, as Brodhead currently does not have a hotel, but many in the community have said they want one.

**UW Extension examination of Business Improvement District**

The University of Wisconsin-Extension has made great efforts in the past and continues to explore methods that will help foster economic revitalization, especially in the downtown area. These efforts include research and analysis of Brodhead’s downtown business district, as well as working closely with the community.

For instance, UW Extension’s First Impressions Program is a joint effort that helps Brodhead learn about existing strengths and weaknesses of their community through the eyes of members of similar communities. A volunteer from a similar community agrees to do an unannounced visit to Brodhead as a “secret shopper” for the day and then report their “first impressions”. These results can reveal the need for certain community action initiatives and act as a way to document changes in the community over time.
As a major component of this project, a Brodhead business inventory was produced. The business inventory can be tangibly used to gauge the current supply and demand for businesses in Brodhead. The business inventory lists each business in Brodhead, its basic functions, and its size in square feet. This inventory will more effectively illustrate the current market needs for the area and help Brodhead to understand what it may need market-wise.

The study area of Brodhead included the entirety of Brodhead, not just its downtown area. Since each section of Brodhead operates differently in terms of layout, the businesses also function quite differently. Therefore a horizontal slice of Brodhead was enacted to account for these differences.

The business inventory was used to gauge the current supply and demand for businesses in Brodhead. It lists each business in Brodhead, its NAICS code, and its size in square feet. The inventory visualizes what businesses currently exist and which ones are missing. Overall this identifies areas that Brodhead can try to improve upon with the rest of their market analysis.

Throughout the process we noticed seven vacancies in the downtown area. This presents a noticeable monetary loss of potential revenue, as these storefronts are currently empty. The issue is also much more problematic, as these vacancies are very hard to refill once opened.

The data was split into three categories with their own subcategories:

- Retail – stores that sell a number of products
  - Clothing
  - Food (grocery stores)
  - Beverages (liquor stores)
  - Building Materials
  - Etc.
- Food and Drink – restaurants
  - Full-service – waiter service
  - Limited-service – no waiter service
- Services
  - Professional – banks, consulting
  - Personal – dance studios, salons
  - Auto service – car repair

The chart above is all of our findings from the business inventory. In its raw data form it doesn’t show too much, but displays a number of interesting traits. Brodhead is entirely missing any form of a clothing store.
This chart paints a better picture for our findings in the business inventory. The Business Inventory break down was as follows:

- **14** Food and Drink Places - **22%** total.
- **24** Retail Stores - **39%** total.
- **24** Services - **39%** total.

A very small portion of the market consists of food and drink establishments, with the majority being made up of either retail or services. Services themselves do not provide much to the markets they are a part of. This creates a significant problem, as essentially 39% of Brodhead’s market can effectively be counted out of being significant market contributors.
Another major component of this project included business interviews. These business interviews entailed interviewing business owners to capture their opinions in order to inform our analysis of the city’s economic strengths and weaknesses.

Several businesses that are particularly involved in Brodhead were contacted during the interview process. These businesses include:

- Harvest Moon
- Olin Oil Company/Trackside Mobil
- Furniture & Mattress Outlet
- Bullwinkle’s/Main Street Station
- Expressions Salon
- Register Print Center Bridge’s
- Foster’s Gaming and Collectibles
- Tastee Crème
- Olin Heating & Cooling
- Huntington Plumbing & Well Pumps
- McClaren Machine & Tool

The business owners all had similar comments about doing business in Brodhead:

- Most of the businesses can easily work off of each other – Many of the owners indicated that businesses often share customers. For example Tastee Crème can easily attract customers from the next-door car dealership, and vice versa.
- The parks of Brodhead are well kept and serve as great community gathering places – Because of the prevalence and quality of Brodhead’s parks, many businesses feel they can succeed because of how well the City keeps up its parks.
- Having a close-knit community means that everyone can help out where needed – If any business falls on hard times, the community will often rally to help them out.

The owners also felt there were three major drawbacks in Brodhead:

- A small local population – Brodhead’s population is what it is: quite small. Businesses can count on a few tourist dollars, but 365 days a year they need to make money from who’s there, and unfortunately that isn’t a huge amount of people.
- Vacancies in the downtown area – This acts as a bit of an eyesore for everyone in the community. It generally detracts from Brodhead’s appeal.
- A lack of specialty stores – Without specialty stores, many people simply do not come to Brodhead or, worse yet, must leave to do all of their shopping.
Recommendations

A major focus should be placed upon the expansion of community events and programming:

- Use well-attended community events to capture the spending of visitors.
- Effectively utilize established parks and open spaces.
- Emphasize the presence of the local grass landing strip and make it a cultural focal point.

The adaptive reuse of historic structures should continue to be encouraged. Brodhead’s unique selling point is its history, and every opportunity should be taken to capitalize on that history.

Other opportunities for market expansion should also be pursued:

- Locating the headquarters of a major corporation in Brodhead.
- Attracting small-scale specialty businesses.
- Establishing more hospitality, entertainment, and third-place locations.

Closing Statements

Brodhead is a City with a proud identity. The area shows a great deal of potential that, if harnessed correctly, could bring people back to the area. The City also shows great commitment to the improvement of its economic viability. We hope that the information we have prepared can help Brodhead to grow and thrive.
Works cited

Brodhead, City of, http://www.cityofbrodheadwi.us/.


UniverCity Year is a three-phase partnership between UW-Madison and one community in Wisconsin. The concept is simple. The community partner identifies projects that would benefit from UW-Madison expertise. Faculty from across the university incorporate these projects into their courses, and UniverCity Year staff provide administrative support to ensure the collaboration’s success. The results are powerful. Partners receive big ideas and feasible recommendations that spark momentum towards a more sustainable, livable, and resilient future. Join us as we create better places together.

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