

9

Chapter Nine: Economic Development



The economic condition of a community, particularly the composition of its economic base, closely relates to its potential for economic expansion or improvement. This chapter of the Plan contains a compilation of background information, goals, objectives, policies, and recommended programs to promote the retention and growth of the economic base and quality employment opportunities in Cottage Grove. This chapter includes an assessment of new businesses and industries that are desired in the Village, an assessment of the Village's strengths and weaknesses with respect to attracting, retaining, and growing new businesses and industries, and an inventory of contaminated environmental sites.

There are a variety of factors that contribute to the overall economic health of a community, many of which extend far beyond the boundaries of the community. This chapter was prepared with a regional perspective that considers the Village as part of a broader

regional economic system within Dane County, the broader Madison region, and the State of Wisconsin.

Many data sets that follow include information related to the Village of Cottage Grove within the context of several comparable communities in Dane County, including the Village of DeForest, the City of Fitchburg, the Village of McFarland, the City of Middleton, the City of Monona, the City of Oregon, the City of Stoughton, the City of Sun Prairie, the City of Verona, and the Village of Waunakee. Even the Cottage Grove business community itself transcends municipal boundaries to include businesses and customers in the Town of Cottage Grove, Town of Sun Prairie, and the east side of Madison among other areas.

A. Labor Force and Economic Base

Labor Force

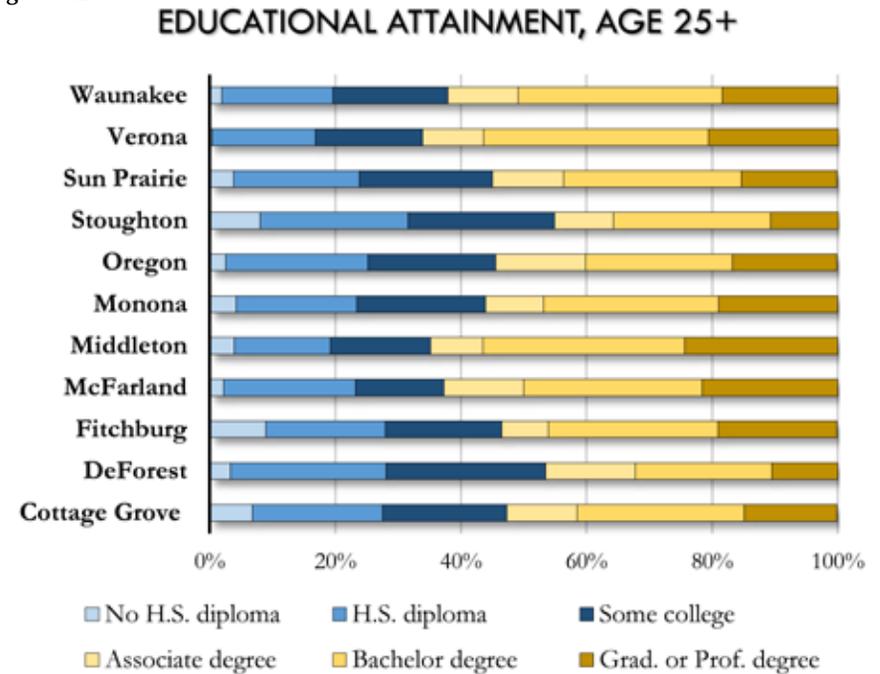
As of 2014, according to the U.S. Census Bureau, there were 3,680 Village residents who were employed. The vast majority, roughly 96%, of those residents work at jobs located outside of the Village. The next several pages review various data sets related to employed Village residents and the industries in which they participate.

Educational Attainment

The labor force within the Village is generally highly educated (see Figure 9.1). Over half of the residents over the age of 25 have at least an associate degree and about 40% have at least a bachelor's degree. These rates are less than McFarland, Middleton, Verona, and Waunakee, are higher than Stoughton and DeForest, and similar to the other comparable communities.

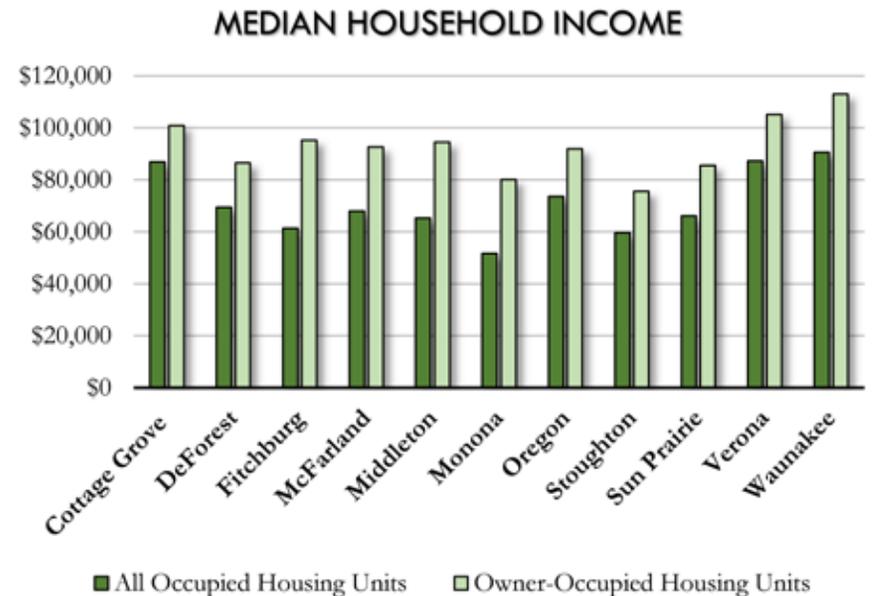
Dane County as a whole stands out among Wisconsin counties in terms of educational attainment, which is one factor that makes the Madison region attractive to employers.

Figure 9.1



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

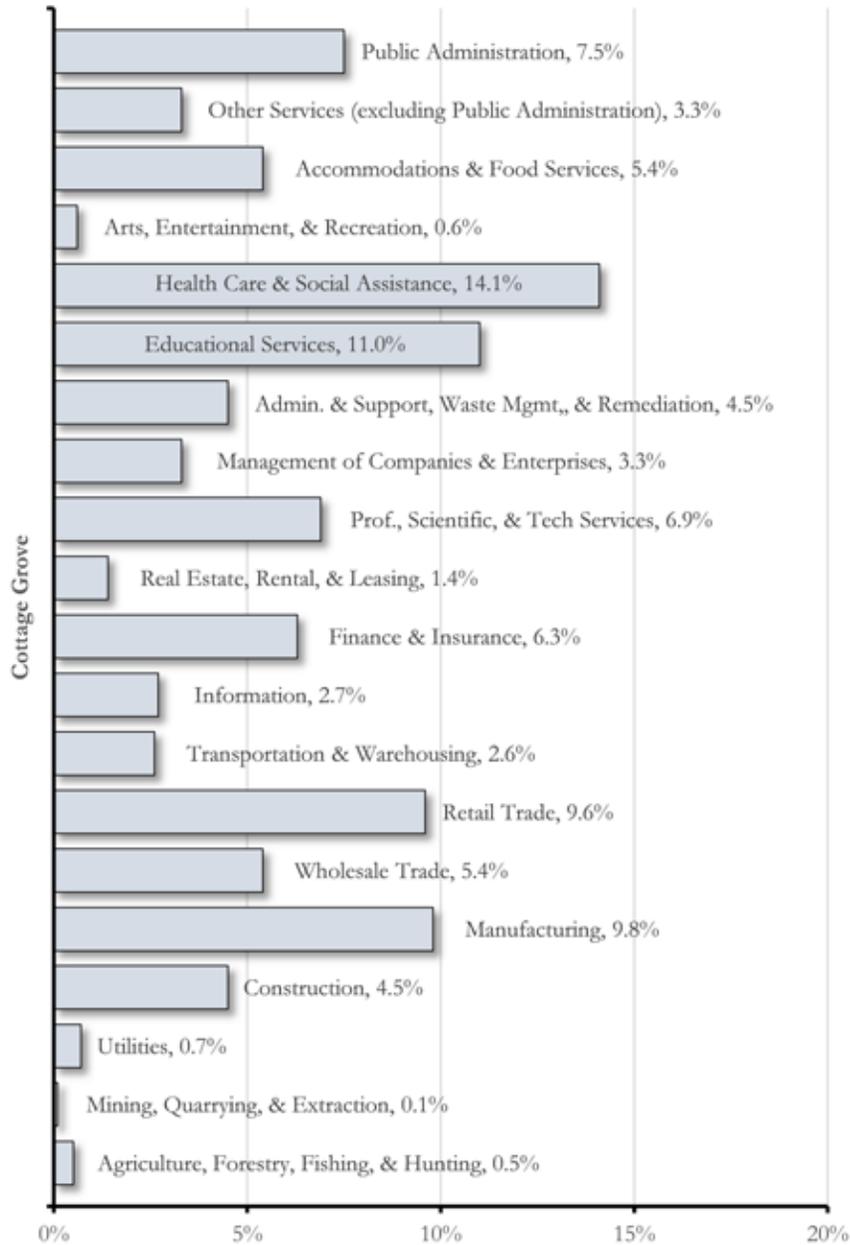
Figure 9.2



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Figure 9.3

JOBS BY INDUSTRY SECTOR EMPLOYED RESIDENTS OF COTTAGE GROVE



Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

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Median Household Income

When all occupied housing units are considered, the Village of Cottage Grove has the third highest median household income among the Dane County comparables (\$86,923), trailing only the City of Verona and the Village of Waunakee.

Since households in renter occupied units tend to have lower incomes than households in owner occupied units, municipalities with a higher percentage of rental units may skew lower when the median includes all households. An example in Figure 9.2 is the City of Monona, which has the lowest median household income among all comparables.

By looking at the median household income for owner occupied units only, the percentage of rental units is no longer factored which makes for more of an apples to apples comparison. Using this metric, the Village of Cottage Grove still has the third highest median household income (\$100,880) among the comparables again trailing only Verona and Waunakee.

Jobs Held by Village Residents

Figure 9.3 shows the primary jobs held by Village of Cottage Grove residents, by industry type. A primary job is defined as the job an individual holds from which he or she derives the most income. Industries employing the greatest numbers of Village residents include Health Care and Social Assistance (14%), Educational Services (11%), Manufacturing (10%), and Retail Trade (10%).

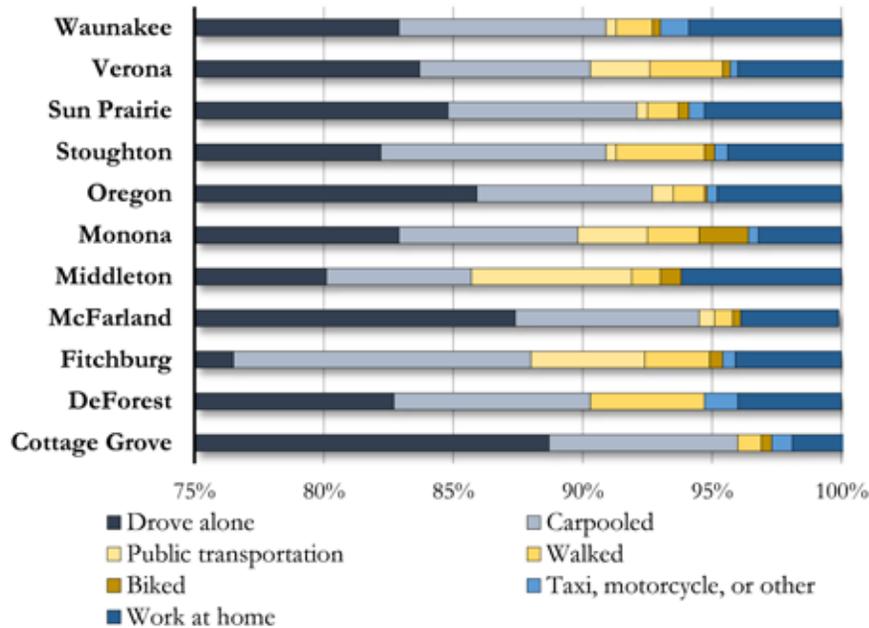
Means of Transportation to Work

As mentioned above, most Village residents who work commute out of the Village to do so. According to the U.S. Census Bureau, 96% of those residents commute to work via private automobile and 89% drive alone (Figure 9.4). Both figures are the highest among the Dane County comparable communities, though in all cases except Fitchburg more than 80% of employed residents commute by driving alone.

In the Village, 2% of employed residents work from home, which

Figure 9.4

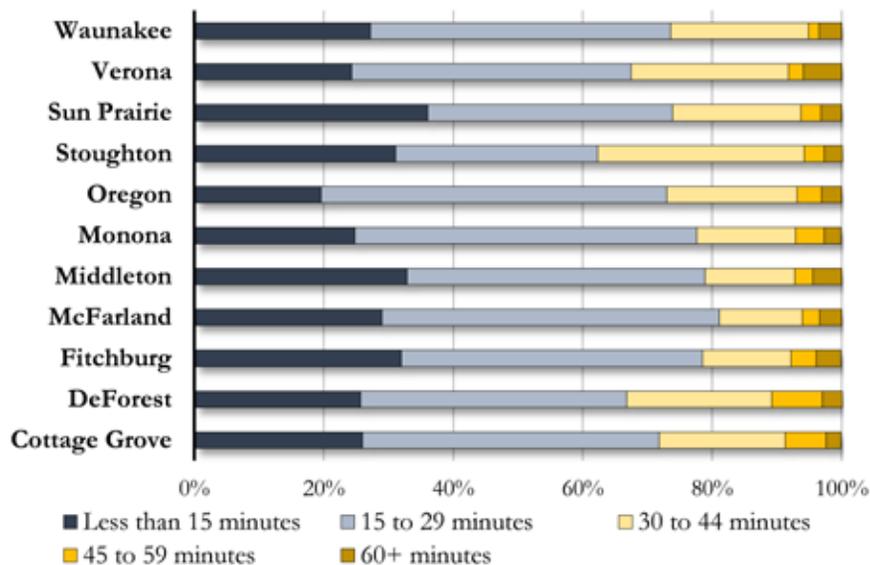
MEANS OF TRANSPORTATION TO WORK



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Figure 9.5

TRAVEL TIME TO WORK



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

was the lowest percentage among the comparables. The highest percentages were in Middleton and Waunakee at nearly 6%.

Travel Time to Work

The U.S. Census Bureau also documents the amount of time commuters spend getting to work (Figure 9.5). Roughly one quarter of Village residents spend less than 15 minutes getting to work, a figure that is similar to many of the comparable communities.

In all of the communities, the highest percentage of commuters spend between 15 and 29 minutes traveling to work. Roughly 28% of Village residents commute 30 minutes or more, a figure that is similar to Waunakee, Sun Prairie, and Oregon. Stoughton and DeForest have the highest percentages of commuters traveling 30 minutes or more.

Commute Shed

Figures 9.6 and 9.7 provide information about the places of employment for Village residents.

Figure 9.6 is a map of the commute shed. Shading from light blue to dark purple reflects the density of employment for Village residents, with the darker shades indicating higher density. The highest density areas are, not unexpectedly, Downtown Madison and the University of Wisconsin campus. Other high density areas include N. Park Street (including Meriter and St. Mary's Hospitals), and the American Center (including American Family Insurance). Most of the Madison East Side and other Dane County commercial districts show a medium density of employment.

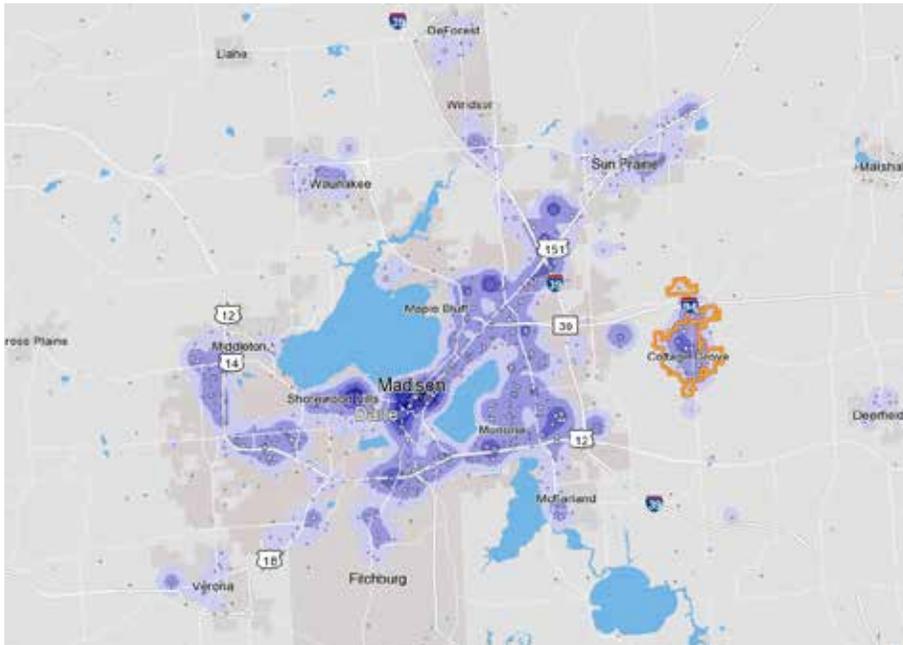
Figure 9.7 shows the same information in a radar chart which indicates the number of jobs in each compass direction. The highest concentration is to the west of the Village.

As noted above, 3,680 Village residents are employed. The following list shows the location of their jobs by municipality:

1. City of Madison - 1,834 (49.8%)
2. City of Monona - 183 (5.0%)

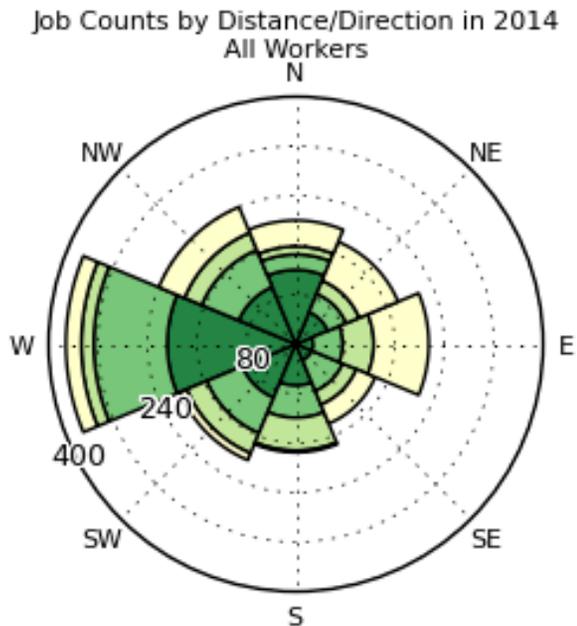
Figure 9.6

COMMUTE SHED - WHERE DO RESIDENTS WORK?



Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

Figure 9.7



Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

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3. Village of Cottage Grove - 152 (4.1%)
 4. City of Sun Prairie - 136 (3.7%)
 5. Town of Madison - 109 (3.0%)
 6. City of Fitchburg - 98 (2.7%)
 7. City of Middleton - 90 (2.4%)
 8. City of Milwaukee - 51 (1.4%)
 9. Village of DeForest - 47 (1.3%)
 10. Village of Waunakee - 44 (1.2%)
- Other municipalities - 936 (25.4%)

Employment within the Village

As of 2014, according to the U.S. Census Bureau, there were 1,723 jobs located within the Village of Cottage Grove. 2014 is the latest data available and does not reflect more recent company openings in the Village such as Midwest Stihl and Atlantis Valley Foods. An additional 250 jobs are expected upon the completion of the Summit Credit Union headquarters in the Commerce Park in 2018.

Jobs in Community

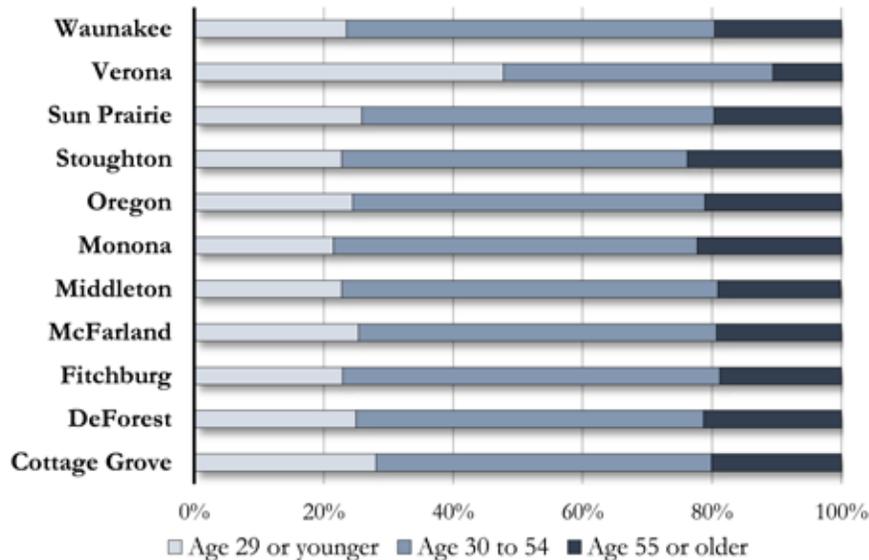
The U.S. Census Bureau provides various data sets related to the jobs that are present in a municipality.

Figure 9.8 provides data regarding jobs in the community by age. Among the comparable communities the Village of Cottage Grove has the second highest percentage of jobs held by people 25 or younger (28.1%) after Verona, with Monona having the lowest percentage (21.5%). Cottage Grove also has the lowest percentage of jobs held by people aged 30 to 54 (51.8%), while Fitchburg has the highest percentage (58.3%).

Figure 9.9 provides data regarding jobs in the community by earnings. The Village of Cottage Grove has the second highest percentage of jobs earning less than \$1,250 per month (25.3%),

Figure 9.8

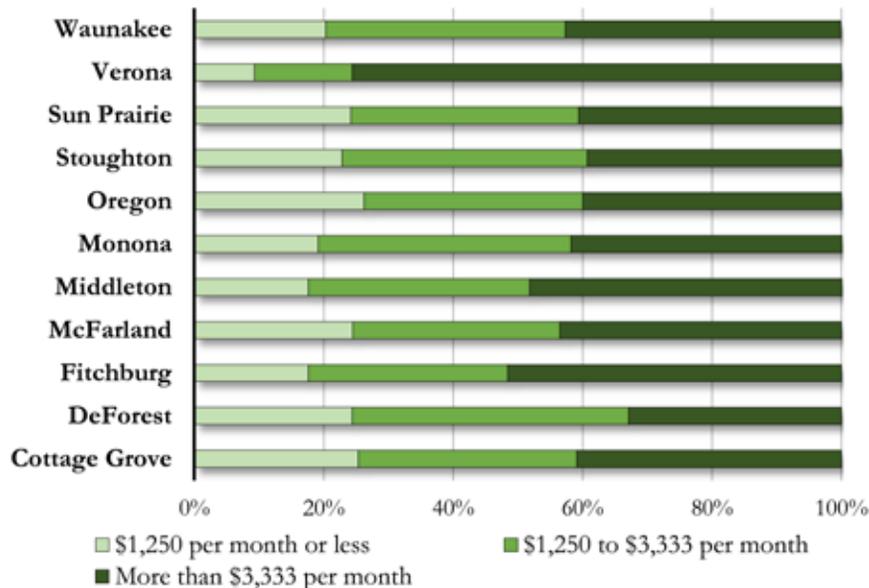
JOBS IN COMMUNITY BY AGE OF WORKER



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Figure 9.9

JOBS IN COMMUNITY BY EARNINGS



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

after Oregon (26.2%). Cottage Grove was in the middle among the comparables in terms of the percentage of jobs earning more than \$3,333 per month (40.9%). Verona has the highest percentage (75.6%), and DeForest has the lowest percentage (32.9%).

Jobs by Industry in Cottage Grove

Figure 9.10 shows jobs in the Village of Cottage Grove by industry sector, per 2014 data from the U.S. Census Bureau. The highest percentage of jobs occur in the wholesale trade industry (19.1%). This is largely due to the categorization of Johnson Health Tech’s jobs as wholesale trade jobs. Educational services (10.9%), retail trade (9.9%), manufacturing (8.6%) and construction (8.2%) are other industries comprising at least 8% of the jobs located in Cottage Grove.

Ratio of Jobs per Employed Resident

Figure 9.11 compares the number of jobs in a community with the number of employed residents in a community (shown by the green bars), as well as a representation of the ratio of local jobs per employed residents (orange dots). Cottage Grove has the lowest ratio (0.47), meaning there are 0.47 jobs in the Village for every one employed resident. Oregon is the second lowest at 0.52. Monona, Middleton, Verona, and DeForest are the comparable communities that have more than one local job per employed resident.

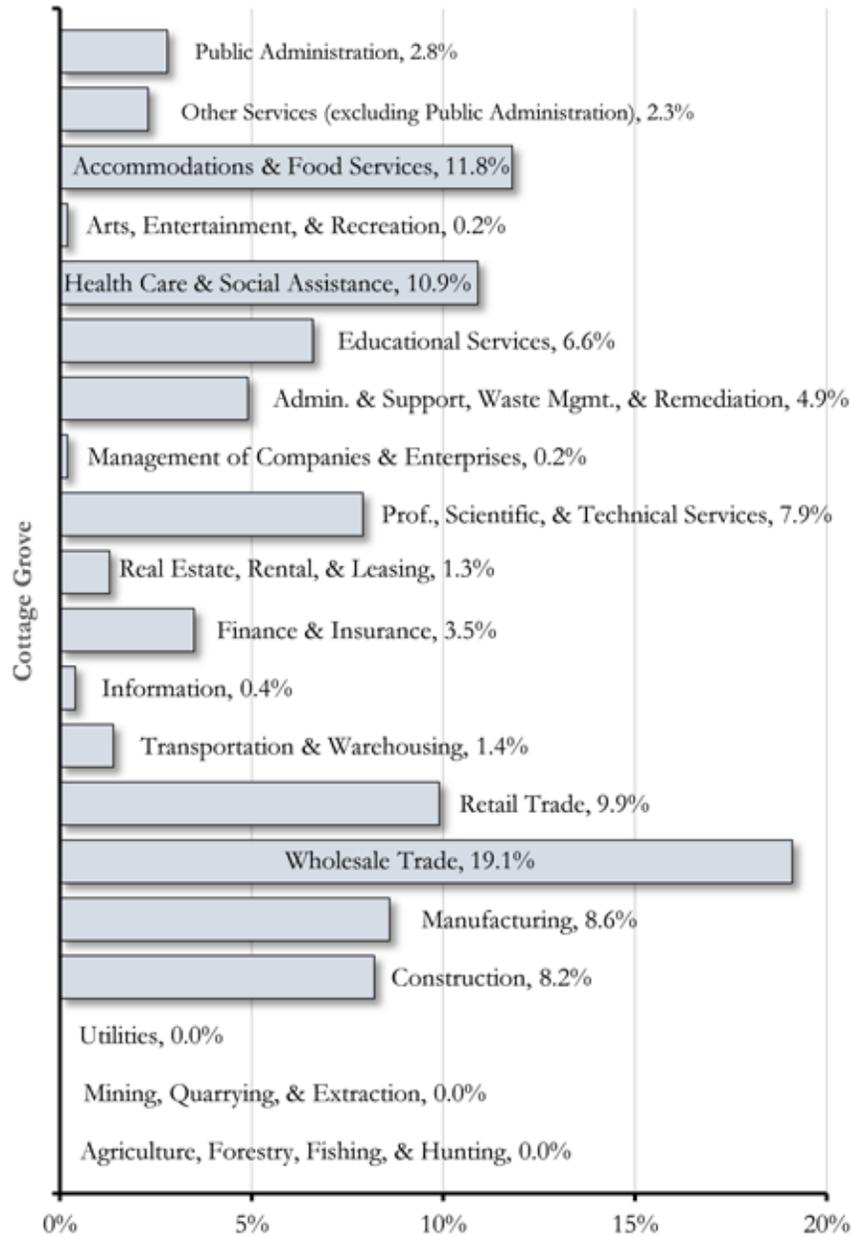
Location Quotients

Another method for examining the economic base of an area is by analyzing location quotients. Location quotients provide a means of comparing the prevalence of a given industry in a subarea to a larger area. Figure 9.12 shows location quotients by industry type for the Village of Cottage Grove, compared to Dane County, and the State of Wisconsin.

The location quotients are derived by the following method. The percentage of jobs in a given industry in the Village is divided by the percentage of workers employed in that same industry in a larger area (in this case the county, state, or nation). A location quotient of 1 would indicate that the percentage of workers in that

Figure 9.10

JOBS BY INDUSTRY SECTOR LOCATED IN COTTAGE GROVE

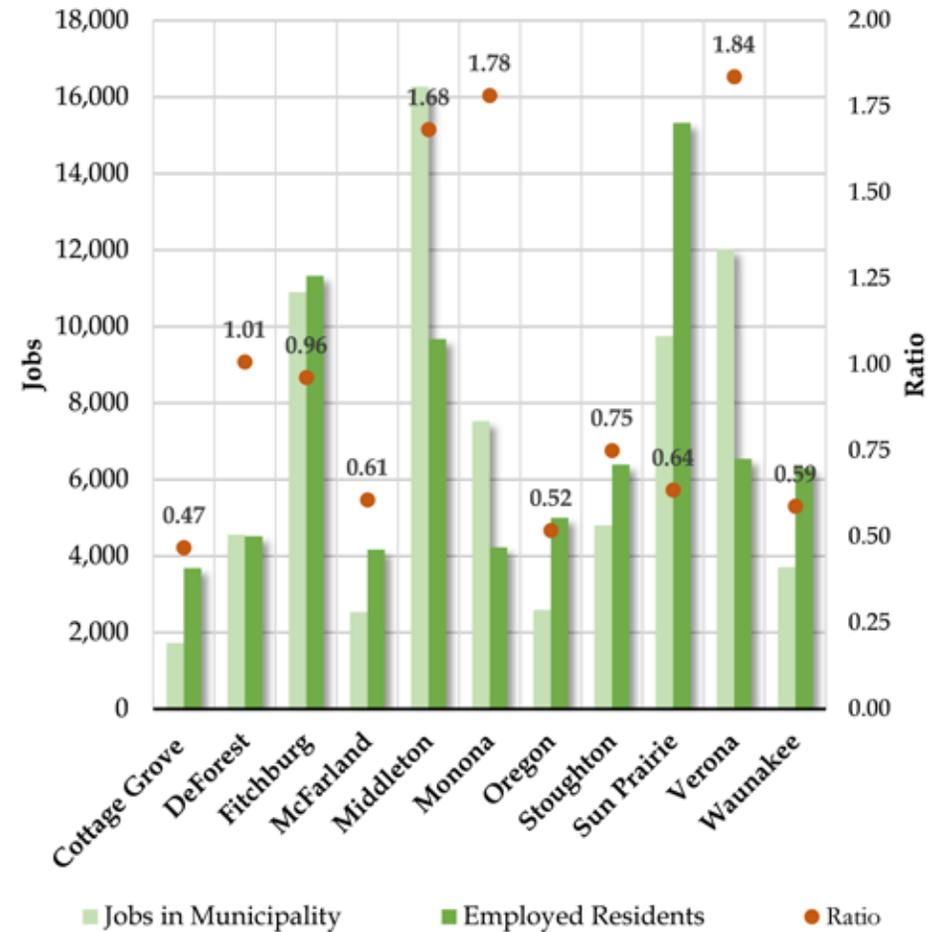


Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

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Figure 9.11

LOCAL JOBS PER EMPLOYED RESIDENT



Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

industry is the same in the subarea as it is in the larger area.

As an example, 8.2% of the jobs in the Village are in the construction industry compared to 4.1% in the Dane County. Therefore, the Cottage Grove/Dane County location quotient for construction would be 8.2% divided by 4.1% or 2.00, indicating that the percentage of jobs in the utility industry is roughly two times higher in the Village than it is at the county level.

Figure 9.12

LOCATION QUOTIENTS BY NAICS INDUSTRY TYPE					
Industry	Cottage Grove	Dane County	LQ v. Dane Co.	Wisconsin	LQ v. WI
Agriculture, Forestry, Fishing, & Hunting	0.0%	0.5%	0.00	0.9%	0.00
Mining, Quarrying, & Extraction	0.0%	0.0%	0.00	0.1%	0.00
Utilities	0.0%	0.5%	0.00	0.5%	0.00
Construction	8.2%	4.1%	2.00	3.8%	2.16
Manufacturing	8.6%	7.7%	1.12	18.2%	0.47
Wholesale Trade	19.1%	4.2%	4.55	4.7%	4.06
Retail Trade	9.9%	9.3%	1.06	10.6%	0.93
Transportation & Warehousing	1.4%	2.3%	0.61	3.5%	0.40
Information	0.4%	4.6%	0.09	1.9%	0.21
Finance & Insurance	3.5%	6.1%	0.57	4.8%	0.73
Real Estate, Rental, & Leasing	1.3%	1.3%	1.00	0.9%	1.44
Professional, Scientific, & Technical Services	7.9%	6.6%	1.20	3.9%	2.03
Management of Companies & Enterprises	0.2%	2.8%	0.07	2.4%	0.08
Administration & Support, Waste Management, & Remediation	4.9%	5.1%	0.96	4.9%	1.00
Educational Services	6.6%	11.4%	0.58	8.2%	0.80
Health Care & Social Assistance	10.9%	14.2%	0.77	14.4%	0.76
Arts, Entertainment, & Recreation	0.2%	1.2%	0.17	1.3%	0.15
Accommodations & Food Services	11.8%	6.6%	1.79	7.4%	1.59
Other Services (excluding Public Administration)	2.3%	3.2%	0.72	2.8%	0.82
Public Administration	2.8%	8.2%	0.34	4.9%	0.57

In the comparison between the Village of Cottage Grove and Dane County, the highest location quotient occurs in the wholesale trade industry. The percentage of jobs in the Village is nearly five times higher than the percentage at the county level. The agriculture, mining, and utility industries have a location quotient of 0.00. The information and management of companies industries also have low location quotients (below 0.1).

Wholesale trade also provides the highest location quotient relative to the State of Wisconsin (4.06). The construction industry also provides a location quotient over 2.00 relative to the state.

It is important to note that these figures examine the jobs located in the Village, and that many of the industry types with low location quotients, such as professional services and finance, are industry types that employ a relatively high percentage of Village residents, though mostly in jobs located outside the Village (see Figure 9.3). To the extent possible, the Village may choose to prioritize business recruitment in those industry types that have the best potential to utilize local talent and experience.

Labor Shed

Figures 9.13 and 9.14 provide information about the places of residence for the people who are employed within the Village of Cottage Grove.

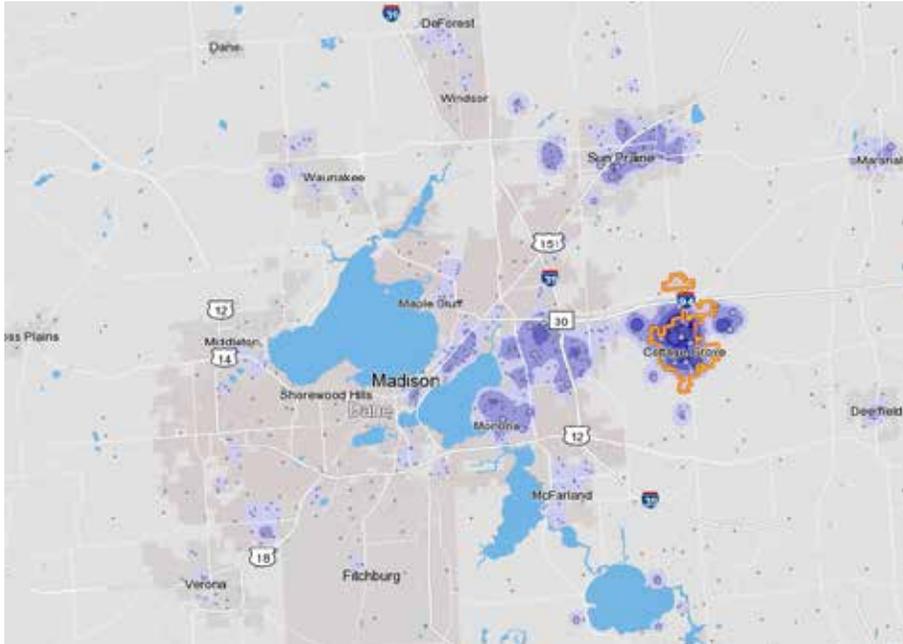
Figure 9.13 is a map of the labor shed. Shading from light blue to dark purple reflects the density of residence for those employed in the Village, with the darker shades indicating higher density. The highest density areas are within and around Cottage Grove, the east side of Madison, and Sun Prairie. Medium density areas include the Village of Marshall, the City of Stoughton, and the Villages of Waunakee and Cambridge.

Figure 9.14 shows the same information in a radar chart which indicates the number of residents in each compass direction. The highest concentration is to the west of the Village.

As noted above, 1,723 jobs are located within the Village of Cottage Grove. The following list shows where those workers live by

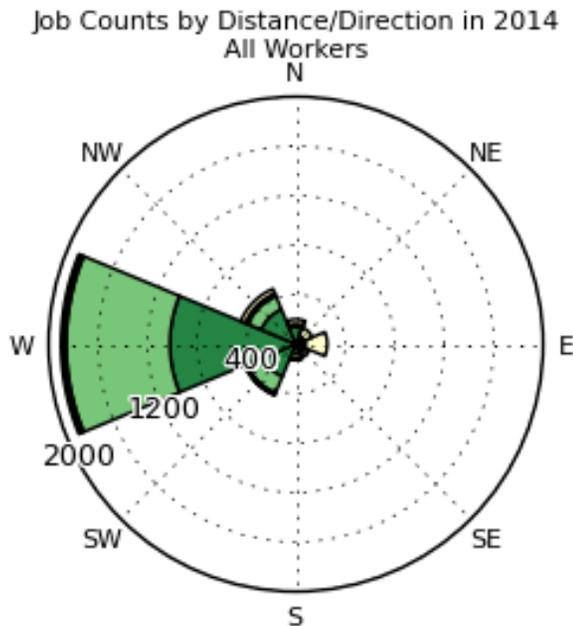
Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

Figure 9.13
LABOR SHED - WHERE DO EMPLOYEES IN VILLAGE LIVE?



Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

Figure 9.14



Source: U.S. Census Bureau, On the Map Application, 2014 data, Primary Jobs

municipality:

1. City of Madison - 274 (15.9%)
 2. Village of Cottage Grove - 152 (8.8%)
 3. City of Sun Prairie - 96 (5.6%)
 4. Town of Cottage Grove - 66 (3.8%)
 5. Town of Pleasant Springs - 34 (2.0%)
 6. City of Monona - 31 (1.8%)
 7. City of Stoughton - 31 (1.8%)
 8. City of Janesville - 30 (1.8%)
 9. Village of Waunakee - 26 (1.5%)
 10. City of Fitchburg - 23 (1.3%)
- Other municipalities - 960 (55.7%)

Largest Employers in Village

Figure 9.15 is a list of the largest employers in the Village of Cottage Grove. The list is based upon data from the Wisconsin Economic Development Corporation (WEDC) as well as input from employers gathered by Village staff.

Johnson Health Tech is the largest employer in the Village. Johnson Health Tech makes fitness equipment such as exercise bikes and treadmills. They employ over 300 people at their North American headquarters in the Commerce Park. The company is based in Taiwan and according to their website, they are the third largest fitness equipment company in the world.

In early 2017, Summit Credit Union finalized the purchase of 11 acres in the Commerce Park where they built their new corporate headquarters. Over 250 employees moved into the building upon completion in 2019. There is additional space in the building and on the site to accommodate future growth.

Figure 9.15

LARGEST EMPLOYERS IN COTTAGE GROVE

BUSINESS	NAICS	INDUSTRY
250 to 499 employees		
Johnson Health Tech	423910	Sporting goods wholesaler
Summit Credit Union	522130	Credit Union
100 to 249 employees		
Hydrite Chemical Co.	424690	Chemical wholesaler
Landmark Services Cooperative	541690	Scientific/technical consultant
50 to 99 employees		
Cottage Grove Elementary School	611110	Elementary/secondary school
Glacial Drumlin Middle School	611110	Elementary/secondary school
Kids Safari Learning Center	624410	Child care services
Piggly Wiggly	445110	Supermarket/grocery store
Taylor Prairie Elementary School	611110	Elementary/secondary school
1855 Saloon & Grill	722511	Full-service restaurant

Source: Wisconsin Economic Development Corporation; Village of Cottage Grove



Summit Credit Union headquarters; photo by Robert Bertera



Johnson Health Tech headquarters; photo by Robert Bertera

The next largest employers include the Hydrite Chemical Company and Landmark Services Cooperative. Hydrite is headquartered in Brookfield, Wisconsin. They produce chemicals used in dairy and food sanitation, food ingredients, and water treatment among other uses.

Landmark Services Cooperative provides agronomy, animal nutrition, grain, energy, and retail products to 15,000 members located throughout southern Wisconsin and northern Illinois. Landmark operates three facilities in the Cottage Grove area including its corporate headquarters in the Commerce Park, a grain loading facility along the railroad tracks on Clark Street, and a large grain facility located partially in the Village and partially in the Town of Cottage Grove at County Highway N and Coffeytown Road.

Strengths, Weaknesses, Opportunities, and Threats

In April of 2016, the Cottage Grove Chamber of Commerce organized a joint meeting of the Village and Town of Cottage Grove boards. One agenda item was the discussion of perceived strengths, weaknesses, opportunities, and threats to the greater Cottage Grove community. The Village’s Community Development Authority (CDA) carried on the discussion of the topic at its



Landmark Services Cooperative headquarters; photo by Robert Bertera

May 2016 meeting.

Figure 9.16 provides a summary of the perceptions mentioned by those bodies.

The most commonly noted strength is Cottage Grove’s location, in particular easy, direct access to Interstate 94 which runs between Madison and Milwaukee. The quality of the school district, ample recreation facilities, the quality and recent construction of much of the housing stock, and efficient approval process for new construction projects were noted as other strengths.

One weakness that generated much discussion was a lack of identity or brand for the Cottage Grove area. This is at least in part influenced by the lack of any one defining natural feature such as a river or lake, and by the lack of a downtown other than the Village’s Olde Town area. The Cottage Grove Chamber of Commerce followed up by engaging the University of Wisconsin Extension to provide a branding study.

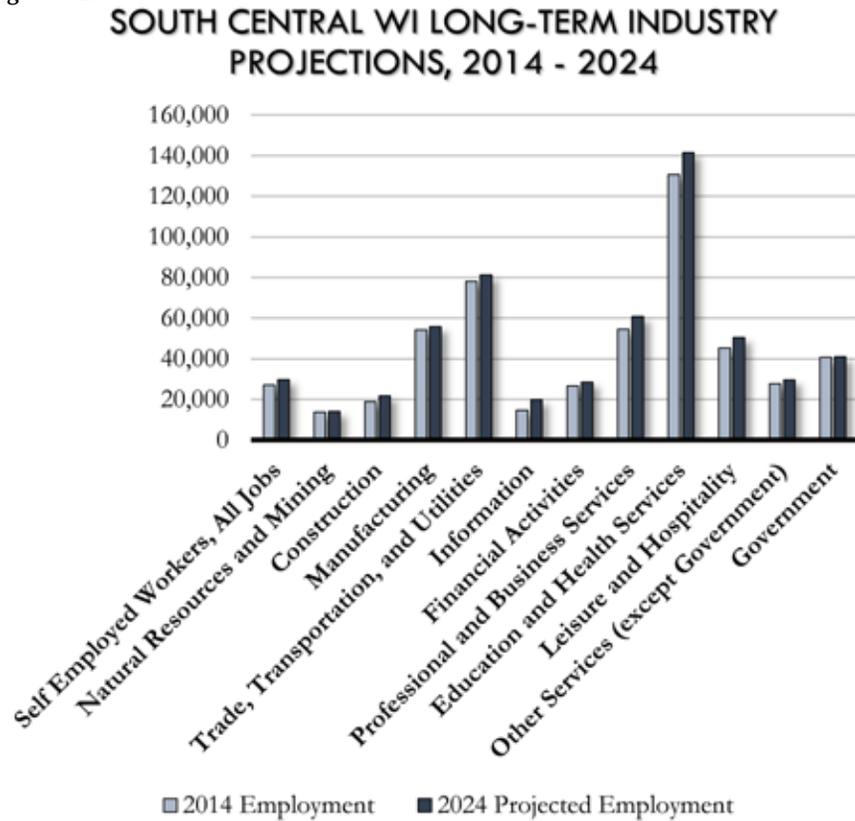
Figure 9.16

COTTAGE GROVE

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

Strengths	Weaknesses
Location provides flexibility for businesses and workforce - near Madison, commuting distance to Milwaukee metro area	Lack of distinctive natural feature such as lake or river
Interchange at Interstate 94 and visibility from freeway	Lack of restaurants, shopping - no commercial focal point
Quality of school district	Lacking enough rooftops for many national retailers and restaurants
Village municipal tax rate among lowest in Dane County	History of problematic relationship between Village and Town
Pending completion of bike trail to Madison	No large sites for commercial or industrial users until land north of I-94 is development ready
Established TIF districts and willingness to provide impactful incentives	Perception in Madison region that Cottage Grove is further away than it really is
Quality recreation facilities - golf courses, athletic fields and ball parks, dream park, rugby, etc.	Lack of housing diversity
Efficient approval of development projects	Web searches may direct to other Cottage Groves (Town, MN, OR)
New housing stock	Lack of identity or brand
Growth potential - especially north of I-94	
Residents have high levels of education and income	
Opportunities	Threats
Land north of freeway	Possible encroachment by Madison
Village owned land in Commerce Park	Potential for new interchanges or other infrastructure changes
Room for improvement in relationship with Town	Large inventory of land available in Dane County
Recent large projects (Summit, Stihl) attract attention and improve perception of business climate	Funding changes to local governments and school districts

Figure 9.17



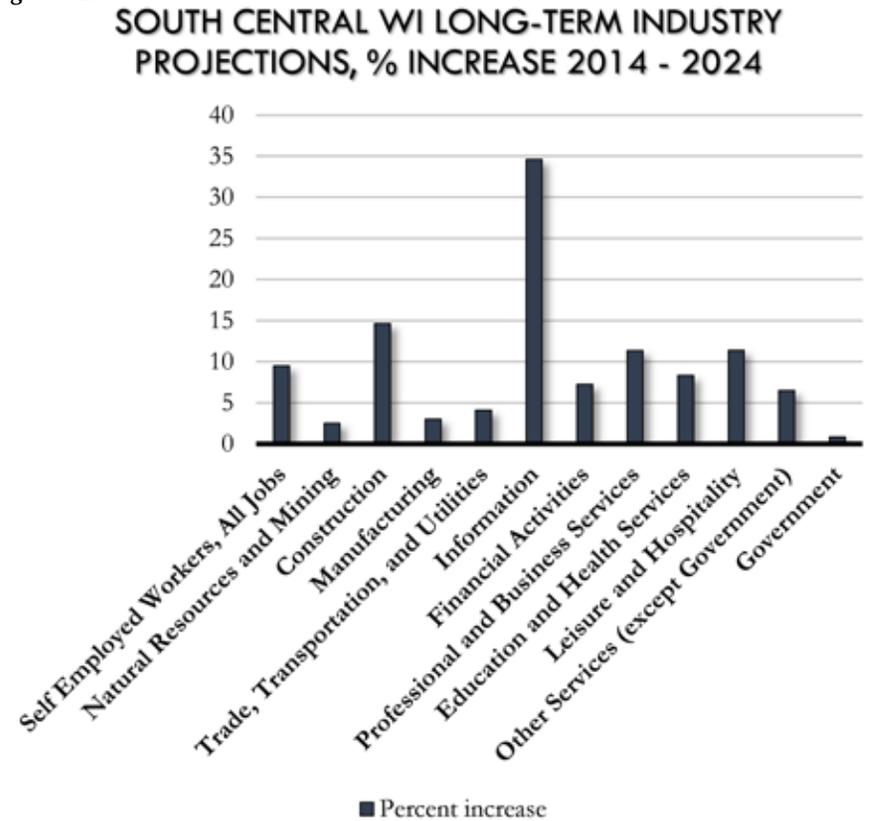
Source: Office of Econ. Advisors, WI Dept. of Workforce Dev., November 2016

B. Desired Types of Business and Industry

This plan uses a number of sources to identify businesses and industries that are desired within the Cottage Grove community. Village staff worked with the Village CDA to analyze regional industry clusters, projected employment growth patterns, and available land to identify industries with potential to provide new employment opportunities in the future.

Also, the Village conducted two surveys in 2015, one of residents and one of local businesses. The survey results, along with a retail gap analysis, begin to identify business types that are desired to provide primarily goods and services to local residents, or for in-

Figure 9.18



Source: Office of Econ. Advisors, WI Dept. of Workforce Dev., November 2016

creased business to business opportunities.

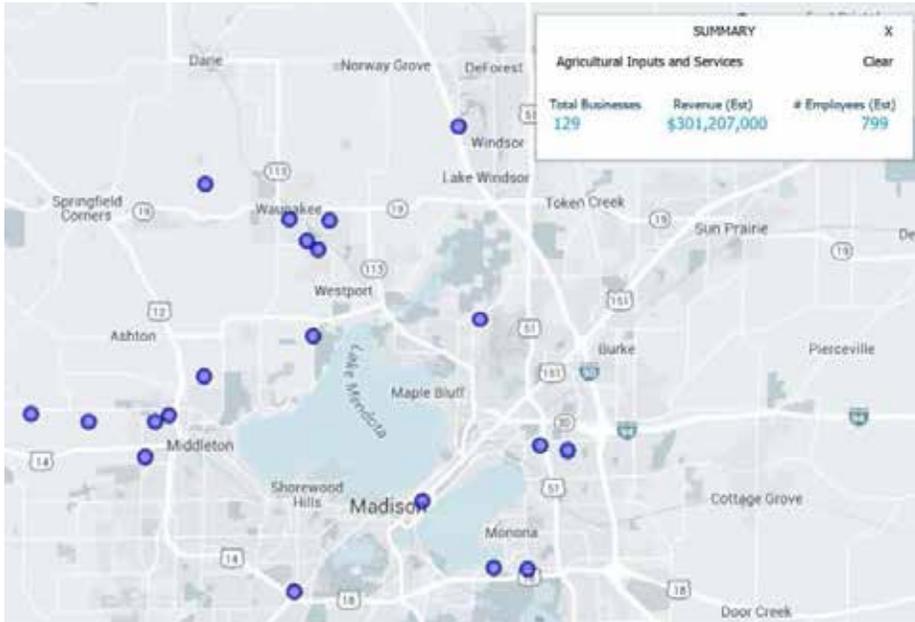
Employment Projections

The Wisconsin Department of Workforce Development prepares employment projections by industry type for various regions of the state. Cottage Grove is within the South Central region which includes Dane, Columbia, Dodge, Jefferson, Marquette, and Sauk Counties.

Figure 9.17 shows the number of workers in each listed industry in the South Central Wisconsin region in 2014, compared with the projected number of workers in each industry in 2024. Education and health services had both the highest number of workers and

Figure 9.19

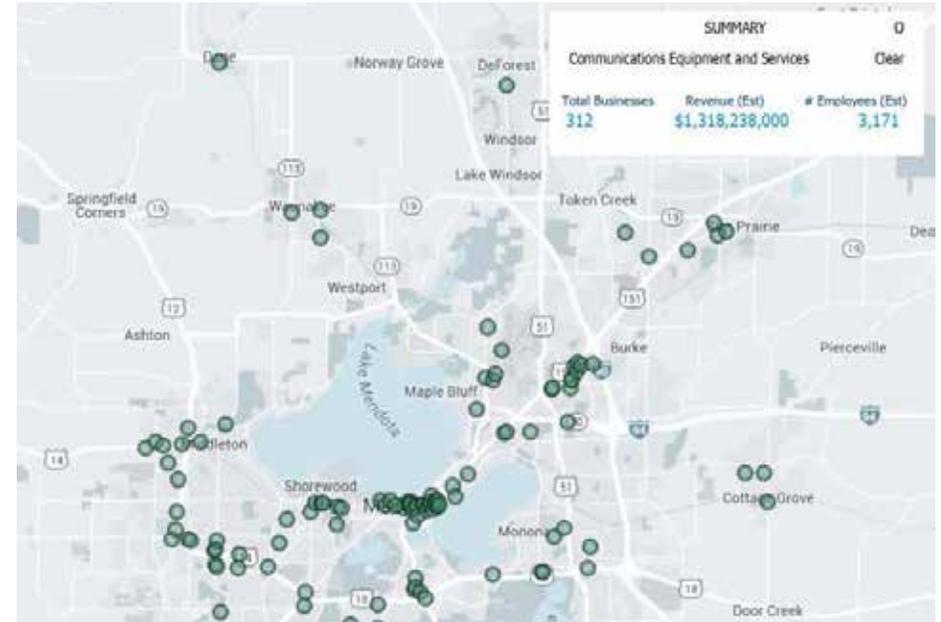
AGRICULTURAL INPUTS & SERVICES



Source: Info USA, Feb. 2016, GIS Planning, MADREP

Figure 9.21

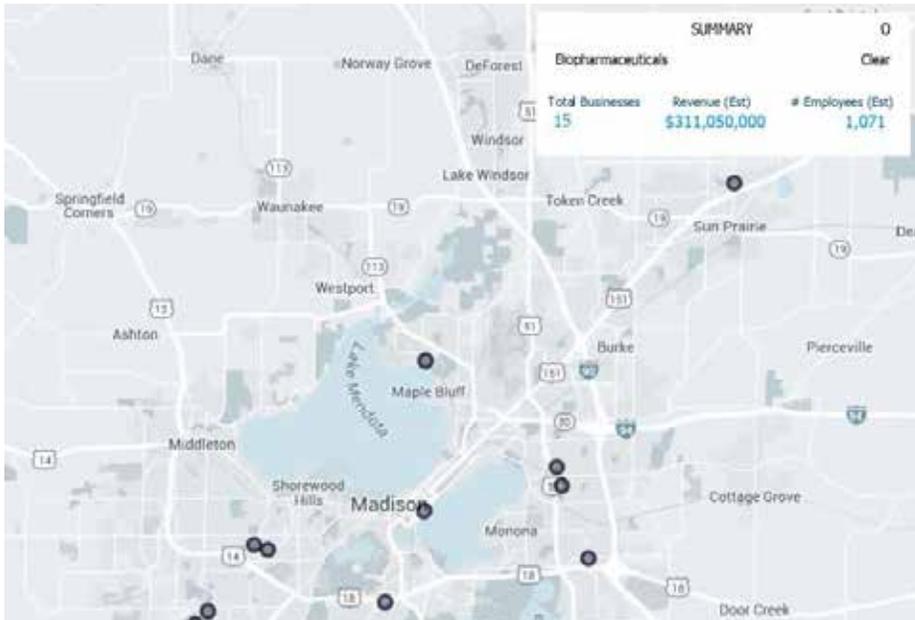
COMMUNICATIONS EQUIPMENT & SERVICES



Source: Info USA, Feb. 2016, GIS Planning, MADREP

Figure 9.20

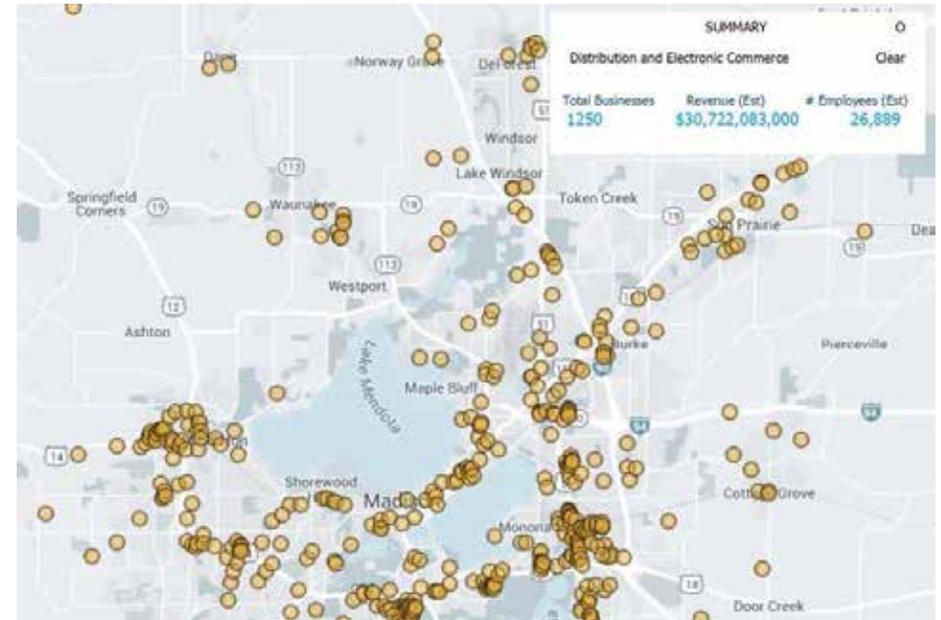
BIOPHARMACEUTICALS



Source: Info USA, Feb. 2016, GIS Planning, MADREP

Figure 9.22

DISTRIBUTION & ELECTRONIC COMMERCE



Source: Info USA, Feb. 2016, GIS Planning, MADREP

Figure 9.23

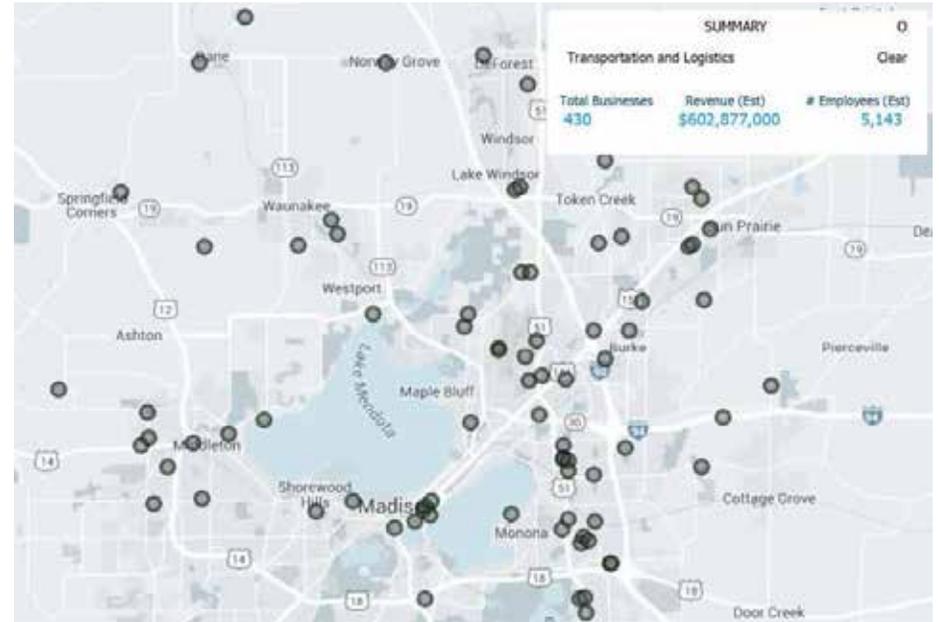
FOOD PROCESSING & MANUFACTURING



Source: Info USA, Feb. 2016, GIS Planning, MADREP

Figure 9.25

TRANSPORTATION & LOGISTICS



Source: Info USA, Feb. 2016, GIS Planning, MADREP

Figure 9.24

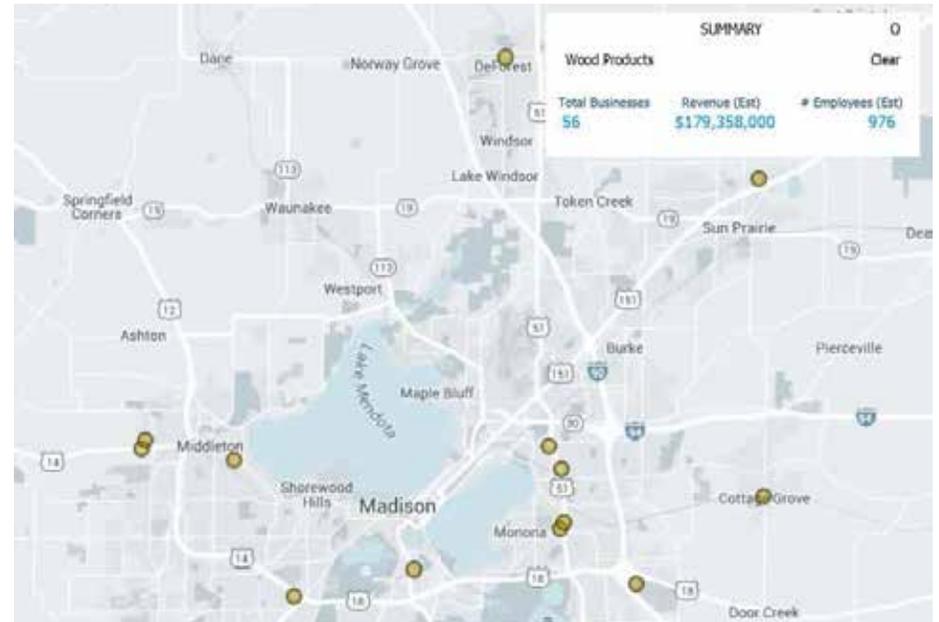
MARKETING, DESIGN, & PUBLISHING



Source: Info USA, Feb. 2016, GIS Planning, MADREP

Figure 9.26

WOOD PRODUCTS



Source: Info USA, Feb. 2016, GIS Planning, MADREP

the largest increase in terms of number of jobs. Other industries showing larger increases in numbers of jobs are information, and professional and business services.

Figure 9.18 shows the projected growth in employment between 2014 and 2024 as a percent increase. The largest percent increase is in the information industry with an increase of nearly 35%. The next highest increase is in the construction industry which shows a nearly 15% increase. Professional and business services and leisure and hospitality also show an increase of more than 10%.

Industry Clusters

A cluster is a group of businesses of a specific industry that operate in close proximity with each other. A cluster might form due to a specific resource or other attribute that is prevalent in a given area (for example, paper making was a historical cluster in Wisconsin's Fox River Valley), or it may form around one or more large businesses that spin off other related companies in the same area (for example Silicon Valley in California). Identifying clusters is important because they suggest opportunities for business expansions or new businesses, opportunities for business to business networks, and because they suggest a number of potential employees with desired skill sets are already in the area.

The Madison Region Economic Partnership (MADREP) hosts a mapping application on its website that allows analysis of industry clusters in the seven county region covered by MADREP.

Maps can be created for many industries. Eight examples are shown in figures 9.19 through 9.26. They represent clusters in which Cottage Grove or the east side of Madison already appear to have a foothold. These include communications equipment and service, biopharmaceuticals, distribution and electronic commerce, food processing and manufacturing, transportation and logistics, marketing and design, and wood products.

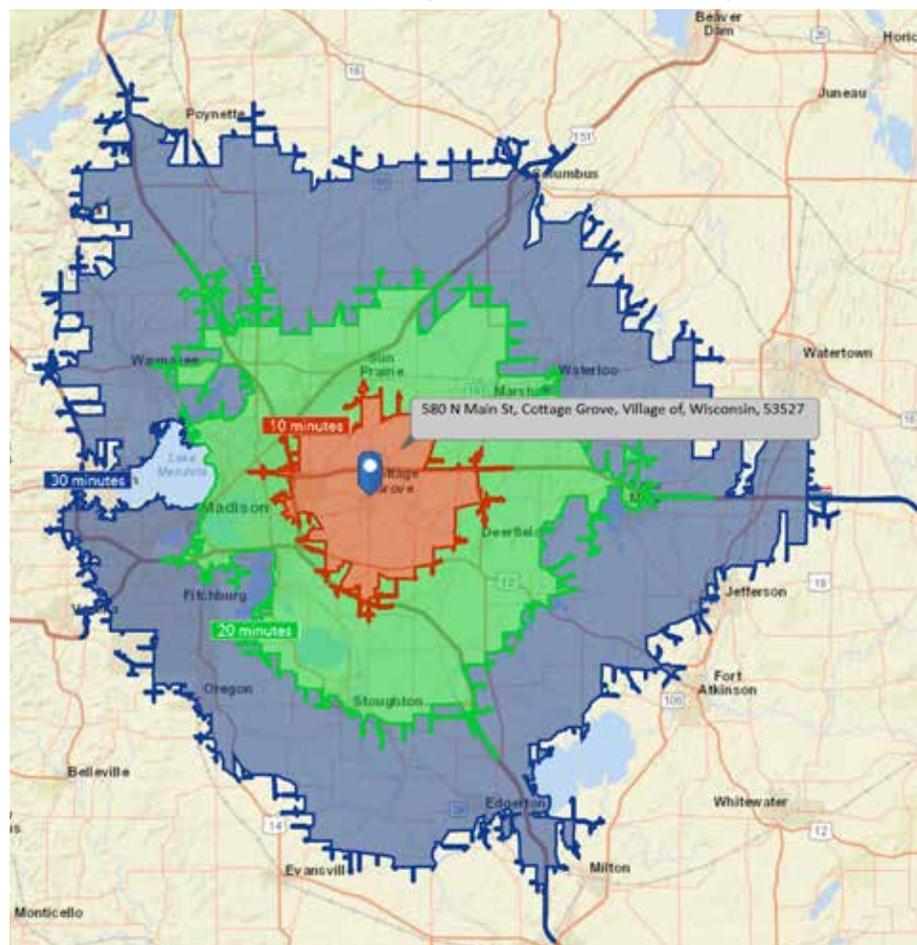
Retail Gap Analysis

Figure 9.27 is a drive time map prepared ESRI, a leading geographic data company. The red shading represents a 10 minute

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Figure 9.27

DRIVE TIME MAP (10, 20, & 30 MINUTES)



Source: ESRI

drive time from the intersection of Highways N and BB (Main Street and Cottage Grove Road). The green represents a 20 minute drive time, and the blue represents a 30 minute drive time from the same intersection. The 10 minute drive time was selected as a representation of the Cottage Grove market, regardless of municipal boundaries. The 20 minute drive time encompasses much of the Madison area's east side (including Sun Prairie, Marshall, Deerfield, Stoughton, Waunakee, and DeForest), while the

Figure 9.28

RETAIL GAP ANALYSIS - 10 MINUTE DRIVE TIME



588 N Main St, Cottage Grove, Village of, Wisconsin, 53527 Prepared by Esri

Summary Demographics					
2016 Population					
2016 Households					
2016 Median Disposable Income					
2016 Per Capita Income					
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor
Industry Summary					
Total Retail Trade and Food & Drink	44-45,722	\$459,927,314	\$248,474,087	\$211,453,227	29.8
Total Retail Trade	44-45	\$415,590,285	\$230,161,003	\$185,429,282	28.7
Total Food & Drink	722	\$44,337,029	\$18,313,084	\$26,023,945	41.5
Industry Group					
Motor Vehicle & Parts Dealers	441	\$96,736,520	\$65,623,414	\$31,113,106	19.2
Automobile Dealers	4411	\$78,245,687	\$57,751,410	\$20,494,277	15.1
Other Motor Vehicle Dealers	4412	\$12,528,229	\$4,185,995	\$8,342,234	49.9
Auto Parts, Accessories & Tire Stores	4413	\$5,962,604	\$3,686,009	\$2,276,595	23.6
Furniture & Home Furnishings Stores	442	\$12,555,713	\$2,489,876	\$10,065,837	66.9
Furniture Stores	4421	\$7,763,670	\$1,277,657	\$6,486,013	71.7
Home Furnishings Stores	4422	\$4,792,043	\$1,212,218	\$3,579,825	59.6
Electronics & Appliance Stores	443	\$21,946,397	\$18,784,600	\$3,161,797	7.8
Bldg Materials, Garden Equip. & Supply Stores	444	\$25,589,354	\$9,957,115	\$15,632,239	44.0
Bldg Material & Supplies Dealers	4441	\$22,733,454	\$7,602,787	\$15,130,667	49.9
Lawn & Garden Equip & Supply Stores	4442	\$2,855,900	\$2,354,328	\$501,572	9.6
Food & Beverage Stores	445	\$67,337,180	\$65,494,188	\$1,842,992	1.4
Grocery Stores	4451	\$57,572,307	\$62,575,917	-\$5,003,610	-4.2
Specialty Food Stores	4452	\$6,448,515	\$700,151	\$5,748,364	80.4
Beer, Wine & Liquor Stores	4453	\$3,316,359	\$2,218,120	\$1,098,239	19.8
Health & Personal Care Stores	446,4461	\$23,646,758	\$17,423,257	\$6,223,501	15.2
Gasoline Stations	447,4471	\$29,828,669	\$15,760,412	\$14,068,257	30.9
Clothing & Clothing Accessories Stores	448	\$16,440,791	\$3,162,865	\$13,277,926	67.7
Clothing Stores	4481	\$10,795,277	\$2,272,663	\$8,522,614	65.2
Shoe Stores	4482	\$2,238,650	\$0	\$2,238,650	100.0
Jewelry, Luggage & Leather Goods Stores	4483	\$3,406,864	\$0	\$3,406,864	100.0
Sporting Goods, Hobby, Book & Music Stores	451	\$10,047,480	\$6,582,193	\$3,465,287	20.8
Sporting Goods/Hobby/Musical Instr Stores	4511	\$8,352,982	\$5,763,983	\$2,588,999	18.3
Book, Periodical & Music Stores	4512	\$1,694,498	\$818,210	\$876,288	34.9
General Merchandise Stores	452	\$80,521,765	\$13,874,699	\$66,647,066	70.6
Department Stores Excluding Leased Depts.	4521	\$64,034,676	\$0	\$64,034,676	100.0
Other General Merchandise Stores	4529	\$16,487,089	\$3,821,023	\$12,666,066	62.4
Miscellaneous Store Retailers	453	\$17,587,715	\$6,650,973	\$10,936,742	45.1
Florists	4531	\$754,329	\$1,606,309	-\$851,980	-36.1
Office Supplies, Stationery & Gift Stores	4532	\$3,623,817	\$1,076,042	\$2,547,775	54.2
Used Merchandise Stores	4533	\$3,353,517	\$1,063,415	\$2,290,102	51.8
Other Miscellaneous Store Retailers	4539	\$9,856,052	\$2,905,207	\$6,950,845	54.5
Nonstore Retailers	454	\$13,351,942	\$4,357,410	\$8,994,532	50.8
Electronic Shopping & Mail-Order Houses	4541	\$10,427,007	\$1,903,248	\$8,523,759	69.1
Vending Machine Operators	4542	\$1,043,341	\$2,386,626	-\$1,343,285	-39.2
Direct Selling Establishments	4543	\$1,881,594	\$0	\$1,881,594	100.0
Food Services & Drinking Places	722	\$44,337,029	\$18,313,084	\$26,023,945	41.5
Special Food Services	7223	\$1,112,241	\$417,053	\$695,188	45.5
Drinking Places - Alcoholic Beverages	7224	\$3,158,985	\$3,610,493	-\$451,508	-6.7
Restaurants/Other Eating Places	7225	\$40,065,804	\$14,285,538	\$25,780,266	47

Source: ESRI

30 minute drive time includes much of the Madison region as a whole (roughly bounded by Middleton, Oregon, Edgerton, Johnson Creek, Columbus, and Poynette).

The following analyses (figures 9.30, 9.31, and 9.32), also prepared by ESRI, compare demand (expected spending based on population and demographics) within each drive time boundary with supply (actual spending in various retail categories) within the

Figure 9.29

RETAIL GAP ANALYSIS - 20 MINUTE DRIVE TIME



588 N Main St, Cottage Grove, Village of, Wisconsin, 53527 Prepared by Esri

Summary Demographics					
2016 Population					
2016 Households					
2016 Median Disposable Income					
2016 Per Capita Income					
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor
Industry Summary					
Total Retail Trade and Food & Drink	44-45,722	\$3,761,640,928	\$4,781,891,845	-\$1,020,250,917	-11.9
Total Retail Trade	44-45	\$3,400,260,687	\$4,399,234,118	-\$998,973,431	-12.8
Total Food & Drink	722	\$361,380,241	\$382,657,726	-\$21,277,485	-2.9
Industry Group					
Motor Vehicle & Parts Dealers	441	\$792,203,987	\$970,612,277	-\$178,408,290	-10.1
Automobile Dealers	4411	\$642,566,107	\$841,663,139	-\$199,097,032	-13.4
Other Motor Vehicle Dealers	4412	\$100,990,452	\$73,496,231	\$27,494,221	15.8
Auto Parts, Accessories & Tire Stores	4413	\$48,647,429	\$55,452,907	-\$6,805,478	-6.5
Furniture & Home Furnishings Stores	442	\$100,710,831	\$102,857,602	-\$2,146,771	-1.1
Furniture Stores	4421	\$63,262,450	\$51,561,938	\$11,700,512	10.2
Home Furnishings Stores	4422	\$37,448,381	\$51,295,665	-\$13,847,284	-15.6
Electronics & Appliance Stores	443	\$177,953,192	\$218,435,918	-\$40,482,726	-10.2
Bldg Materials, Garden Equip. & Supply Stores	444	\$200,409,911	\$245,551,222	-\$45,141,311	-10.1
Bldg Material & Supplies Dealers	4441	\$177,608,890	\$232,147,407	-\$54,538,517	-13.3
Lawn & Garden Equip & Supply Stores	4442	\$22,801,021	\$13,403,815	\$9,397,206	26.0
Food & Beverage Stores	445	\$558,399,134	\$504,230,078	\$54,169,056	5.1
Grocery Stores	4451	\$477,728,337	\$441,949,143	\$35,779,194	3.9
Specialty Food Stores	4452	\$53,416,397	\$28,952,324	\$24,464,073	29.7
Beer, Wine & Liquor Stores	4453	\$27,254,399	\$33,328,611	-\$6,074,212	-10.0
Health & Personal Care Stores	446,4461	\$193,954,010	\$767,952,443	-\$573,998,433	-59.7
Gasoline Stations	447,4471	\$248,438,675	\$249,584,117	-\$1,145,442	-0.2
Clothing & Clothing Accessories Stores	448	\$134,351,379	\$124,395,923	\$9,955,456	3.8
Clothing Stores	4481	\$88,635,973	\$80,139,743	\$8,496,230	5.0
Shoe Stores	4482	\$18,342,185	\$20,157,773	-\$1,815,588	-4.7
Jewelry, Luggage & Leather Goods Stores	4483	\$27,373,220	\$24,098,407	\$3,274,813	6.4
Sporting Goods, Hobby, Book & Music Stores	451	\$81,868,780	\$125,766,487	-\$43,897,707	-21.1
Sporting Goods/Hobby/Musical Instr Stores	4511	\$67,880,327	\$110,457,106	-\$42,576,779	-23.9
Book, Periodical & Music Stores	4512	\$13,988,453	\$15,309,381	-\$1,320,928	-4.5
General Merchandise Stores	452	\$659,287,982	\$823,558,194	-\$164,270,212	-11.1
Department Stores Excluding Leased Depts.	4521	\$523,534,649	\$500,335,654	\$23,198,995	2.3
Other General Merchandise Stores	4529	\$135,753,333	\$323,222,541	-\$187,469,208	-40.8
Miscellaneous Store Retailers	453	\$143,861,565	\$136,318,361	\$7,543,204	2.7
Florists	4531	\$5,870,363	\$6,977,012	-\$1,106,649	-8.6
Office Supplies, Stationery & Gift Stores	4532	\$29,288,838	\$18,045,884	\$11,242,954	23.8
Used Merchandise Stores	4533	\$27,218,955	\$28,458,144	-\$1,239,189	-2.2
Other Miscellaneous Store Retailers	4539	\$81,483,409	\$82,837,321	-\$1,353,912	-0.8
Nonstore Retailers	454	\$108,821,241	\$129,971,496	-\$21,150,255	-8.9
Electronic Shopping & Mail-Order Houses	4541	\$84,716,880	\$101,663,981	-\$16,947,101	-9.1
Vending Machine Operators	4542	\$8,600,078	\$7,763,627	\$836,451	5.1
Direct Selling Establishments	4543	\$15,504,283	\$20,543,887	-\$5,039,604	-14.0
Food Services & Drinking Places	722	\$361,380,241	\$382,657,726	-\$21,277,485	-2.9
Special Food Services	7223	\$8,799,352	\$10,148,351	-\$1,348,999	-7.1
Drinking Places - Alcoholic Beverages	7224	\$25,517,704	\$37,877,358	-\$12,359,654	-19.5
Restaurants/Other Eating Places	7225	\$327,063,104	\$334,632,018	-\$7,568,914	-1

Source: ESRI

same drive time boundary.

The studies summarize the relationship between supply and demand as a figure called the 'leakage/surplus factor.' A factor of 100 means all of the demand is being accommodated outside the Village. A factor of 0 means that the demand and supply are equal. A negative number means sales in the area exceed expectations based on the population.

Figure 9.30

RETAIL GAP ANALYSIS - 30 MINUTE DRIVE TIME



588 N Main St, Cottage Grove, Village of Wisconsin, 53027 Prepared by ESRI

Summary Demographics					
2016 Population					
2016 Households					
2016 Median Disposable Income					
2016 Per Capita Income					
Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor
Total Retail Trade and Food & Drink	44-45,722	\$7,885,419,434	\$9,200,547,976	-\$1,315,128,542	-7.7
Total Retail Trade	44-45	\$7,128,067,420	\$8,378,000,866	-\$1,249,933,446	-8.1
Total Food & Drink	722	\$757,352,013	\$822,547,110	-\$65,195,097	-4.1
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor
Motor Vehicle & Parts Dealers	441	\$1,661,679,830	\$1,897,887,064	-\$236,207,234	-6.6
Automobile Dealers	4411	\$1,347,404,875	\$1,698,038,139	-\$350,633,264	-11.5
Other Motor Vehicle Dealers	4412	\$212,170,916	\$121,112,738	\$91,058,178	27.3
Auto Parts, Accessories & Tire Stores	4413	\$102,104,040	\$78,736,186	\$23,367,854	12.9
Furniture & Home Furnishings Stores	442	\$210,892,582	\$237,406,692	-\$26,514,110	-5.9
Furniture Stores	4421	\$132,421,024	\$120,062,578	\$12,358,446	4.9
Home Furnishings Stores	4422	\$78,471,558	\$117,344,114	-\$38,872,556	-19.9
Electronics & Appliance Stores	443	\$373,346,366	\$540,828,118	-\$167,481,752	-18.3
Bldg Materials, Garden Equip. & Supply Stores	444	\$421,722,605	\$443,392,648	-\$21,670,043	-2.5
Bldg Material & Supplies Dealers	4441	\$373,472,385	\$416,204,690	-\$42,732,305	-5.4
Lawn & Garden Equip & Supply Stores	4442	\$48,250,220	\$27,187,957	\$21,062,263	27.9
Food & Beverage Stores	445	\$1,168,013,995	\$1,308,923,852	-\$140,909,857	-5.7
Grocery Stores	4451	\$998,989,333	\$1,169,895,869	-\$170,906,536	-7.9
Specialty Food Stores	4452	\$111,644,854	\$71,658,070	\$39,986,784	21.8
Beer, Wine & Liquor Stores	4453	\$57,379,809	\$67,369,913	-\$9,990,104	-8.0
Health & Personal Care Stores	446,4461	\$407,623,937	\$1,000,274,185	-\$592,650,248	-42.1
Gasoline Stations	447,4471	\$519,457,697	\$444,055,856	\$75,401,841	7.8
Clothing & Clothing Accessories Stores	448	\$281,817,125	\$385,995,648	-\$104,178,523	-15.6
Clothing Stores	4481	\$185,848,269	\$268,872,082	-\$83,023,813	-18.3
Shoe Stores	4482	\$38,308,171	\$60,088,279	-\$21,780,108	-22.1
Jewelry, Luggage & Leather Goods Stores	4483	\$57,660,685	\$57,035,287	\$625,398	0.5
Sporting Goods, Hobby, Book & Music Stores	451	\$171,848,992	\$290,547,662	-\$118,698,670	-25.7
Sporting Goods/Hobby/Musical Instr Stores	4511	\$142,289,134	\$255,816,376	-\$113,527,242	-28.5
Book, Periodical & Music Stores	4512	\$29,559,859	\$34,731,286	-\$5,171,427	-8.0
General Merchandise Stores	452	\$1,380,857,233	\$1,362,311,479	\$18,545,754	0.7
Department Stores Excluding Leased Depts.	4521	\$1,096,864,476	\$934,948,215	\$161,916,261	8.0
Other General Merchandise Stores	4529	\$283,992,757	\$427,363,264	-\$143,370,507	-20.2
Miscellaneous Store Retailers	453	\$302,116,097	\$288,121,786	\$13,994,311	2.4
Florists	4531	\$12,399,250	\$16,842,172	-\$4,442,922	-15.2
Office Supplies, Stationery & Gift Stores	4532	\$61,309,561	\$42,937,239	\$18,372,322	17.6
Used Merchandise Stores	4533	\$57,311,904	\$41,723,786	\$15,588,118	15.7
Other Miscellaneous Store Retailers	4539	\$171,095,381	\$186,618,588	-\$15,523,207	-4.3
Nonstore Retailers	454	\$228,690,959	\$178,255,877	\$50,435,082	12.4
Electronic Shopping & Mail-Order Houses	4541	\$177,536,074	\$136,222,018	\$41,314,056	13.2
Vending Machine Operators	4542	\$17,982,673	\$13,785,190	\$4,197,483	13.2
Direct Selling Establishments	4543	\$33,172,212	\$28,248,668	\$4,923,544	8.0
Food Services & Drinking Places	722	\$757,352,013	\$822,547,110	-\$65,195,097	-4.1
Special Food Services	7223	\$18,435,097	\$14,010,178	\$4,424,919	13.6
Drinking Places - Alcoholic Beverages	7224	\$53,711,987	\$67,231,562	-\$13,519,575	-11.2
Restaurants/Other Eating Places	7225	\$685,204,929	\$741,305,371	-\$56,100,442	-4

Source: ESRI

10 Minute Drive Time

According to the gap analysis for the 10 minute drive time (figure 9.28) the 2016 retail demand for residents within the 10 minute drive time boundary was nearly \$460 million., while the retail sales in 2016 were over \$248 million. Therefore the retail gap within the 10 minute drive time was approximately \$211 million. In other words, the \$211 million in spending needed to fulfill res-

ident demand is being spent outside the boundary. This figure is sometimes called the 'leakage' and a gap analysis is also sometimes known as a leakage study. The overall leakage/supply factor within the 10 minute drive time is 29.8.

The report further breaks down supply and demand for specific industry groups. There are a number of groups that show a leakage/surplus factor of 70 or more (meaning little supply is provided within the drive time boundary). However, some of those groups are less likely to be successful in the Village. For example, furniture stores score 71.7, but because furniture tends to be expensive most people are willing to drive further and purchases are less likely to be based on convenience. Therefore, a smaller furniture store in the Village wouldn't necessarily fill the gap in the market, as the local store would still likely compete with other regional furniture stores.

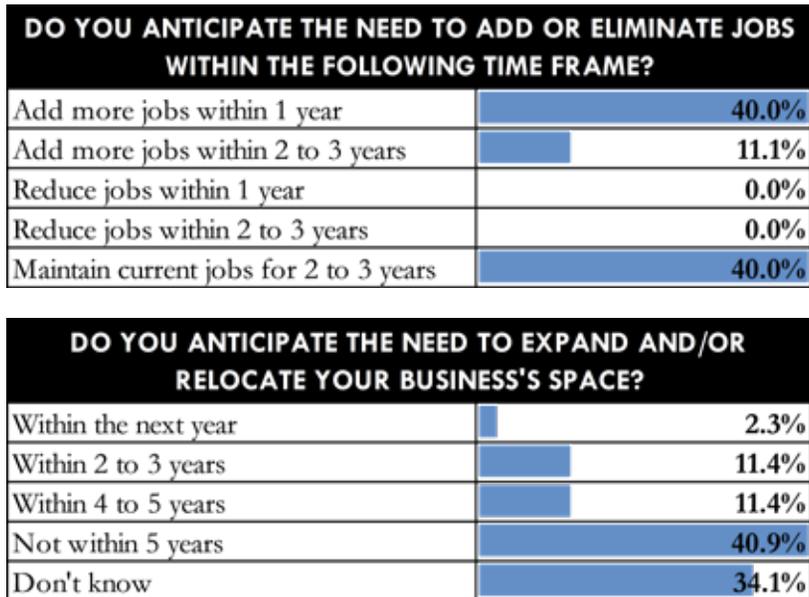
Additionally, some industry groups are in industries that are struggling to compete with alternatives to brick and mortar stores, such as media stores like music, movies or books. Much of the demand for these products is satisfied online, or through streaming services.

There are some industry groups that stand out as having a positive leakage factor that could feasibly be supplied by additional Village businesses or expansion of existing businesses. Some examples include specialty foods, restaurants, and garden and building supplies.

20 & 30 Minute Drive Times

The 20 and 30 minute drive time analyses tell a different story. In both cases the supply exceeds the demand for all retail trade and food and drink. Within the 20 minute boundary, supply exceeds demand by over \$1 billion with a leakage/surplus factor of -11.9. In the 30 minute drive time boundary the supply exceeds the demand by \$1.3 billion, with a leakage/supply factor of -7.7. Therefore, while small businesses catering to the local Cottage Grove market may fill a need, larger retail establishments with regional

Figure 9.31



Source: Village of Cottage Grove, Business Survey, 2015

appeal are likely to face intense competition from throughout the Madison region.

Business Survey

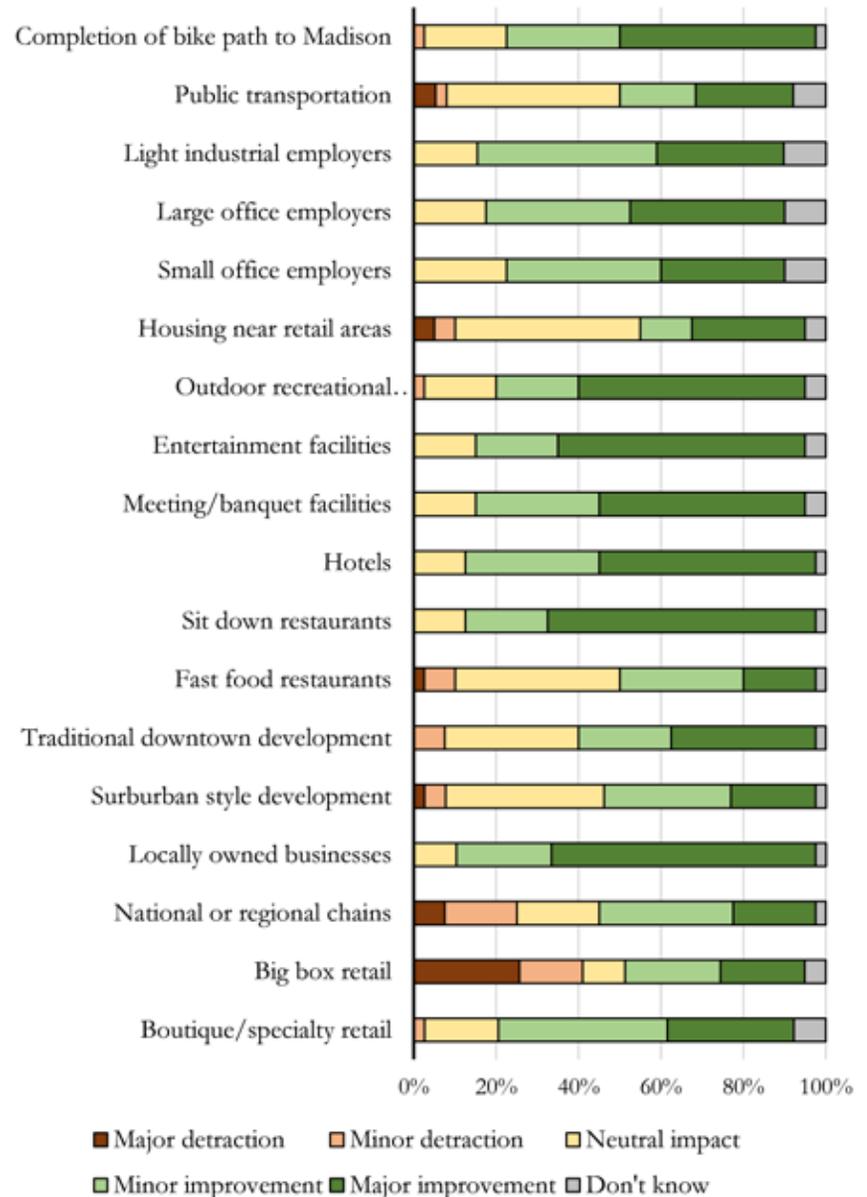
In 2015, the Village of Cottage Grove conducted a survey of local business owners and operators. The survey was web-based (through the Survey Monkey web service) and was publicized through the Village website and the Cottage Grove Chamber of Commerce. Fifty businesses responded to the 21 question survey. Of those fifty businesses, 74.3% were located within the Village, with 15.4% located in the Town of Cottage Grove, and 10.3% located in the Town of Sun Prairie.

Selected highlights are noted here as they apply to economic development issues generally, and desired business types specifically.

Respondents were asked about expansion plans, both in terms of building space and employees (figure 9.31). Regarding build-

Figure 9.32

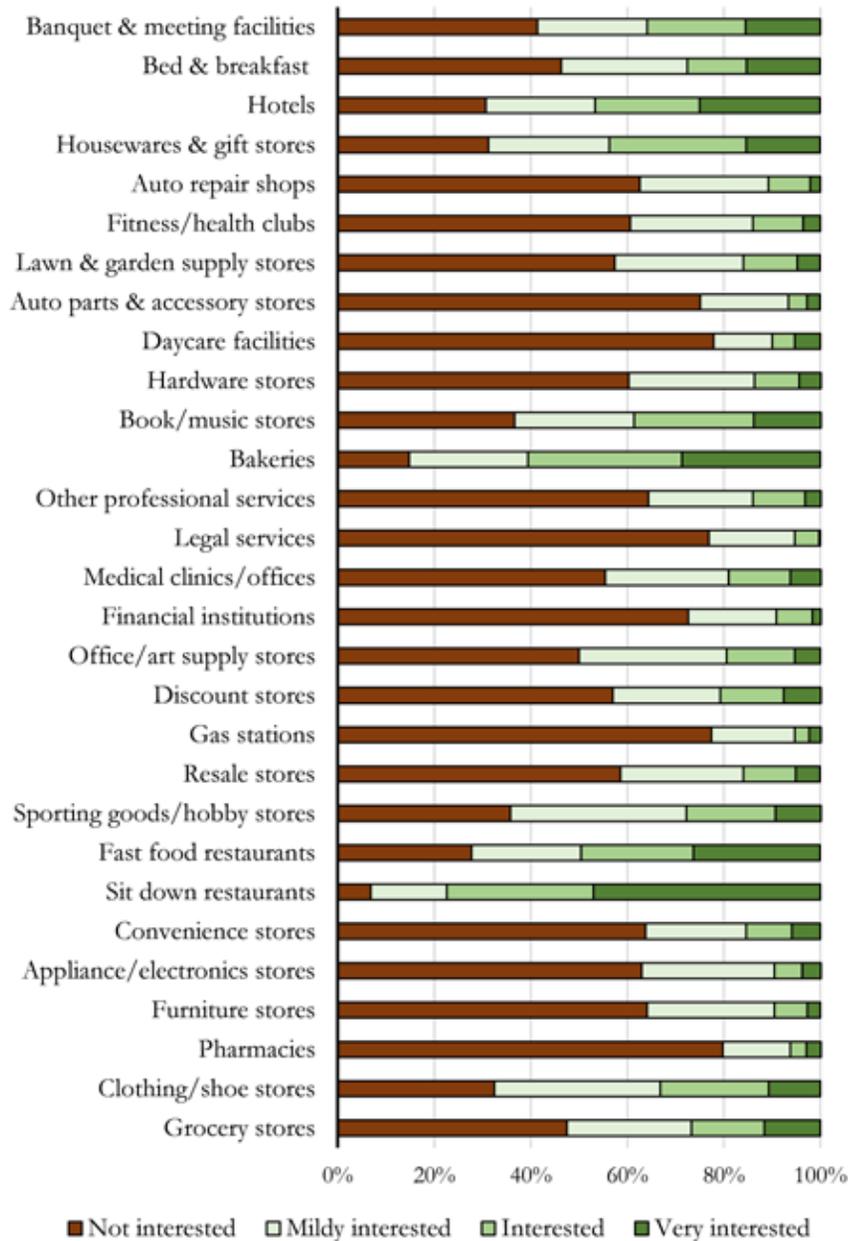
RATE THE FOLLOWING BUSINESS TYPES OR LAND USES, AS TO WHETHER YOU THINK THEY WOULD ADD OR DEDUCT FROM COTTAGE GROVE AS A BUSINESS CENTER



Source: Village of Cottage Grove, Business Survey, 2015

Figure 9.33

WHAT TYPES OF ESTABLISHMENTS WOULD YOU LIKE TO SEE ADDED OR EXPANDED WITHIN COTTAGE GROVE



Source: Village of Cottage Grove, Resident Survey, 2015

AMENDED OCTOBER 21, 2019

Figure 9.34

WHAT FACTORS WOULD INCREASE YOUR PATRONAGE OF BUSINESSES WITHIN COTTAGE GROVE?



Source: Village of Cottage Grove, Resident Survey, 2015

ing space, 2.3% of respondents indicated they planned to expand or relocate within one year, 11.4% planned to expand or relocate within 2 to 3 years, and another 11.4% planned to expand or relocate within 4 to 5 years. An additional 40% did not plan to expand or relocate within 5 years, while 34.1% did not know whether expansion or relocation would be necessary.

Regarding employees, no businesses anticipated the need to reduce jobs either in the next year or in the next 2 to 3 years. On the other hand, 40% of businesses anticipated adding jobs in the next year, while 11.1% anticipated adding jobs in the next 2 to 3 years. Meanwhile, 40% of the respondents expected to maintain their number of jobs for the next 2 to 3 years.

Respondents were also asked to rate various business types or land uses as to whether they thought that development type would im-

prove or detract from Cottage Grove as a business center (figure 9.32). The highest percentage of negative reaction was generated by big box retail, where 40% of respondents felt it would represent a major or minor detraction.

The types considered a major improvement by the highest percentage of respondents included entertainment facilities, sit down restaurants, and locally owned businesses.

Resident Survey

In 2015, the Village of Cottage Grove also conducted a survey of residents. The survey was web based using the Survey Monkey service. The survey received 404 responses of which 77.7% were Village of Cottage Grove residents, 21.3% were Town of Cottage Grove residents, and 1.0% were Town of Sun Prairie residents.

Selected highlights are noted here as they apply to economic development issues generally, and desired business types specifically.

Respondents were asked what types of establishments they would like to see added or expanded within Cottage Grove (figure 9.33). Responses receiving the highest percentage of ‘very interested’ ratings included sit down restaurants, fast food restaurants, bakeries, and hotels.

Respondents were also asked what factors would increase their likelihood to patronize Village businesses (figure 9.34). Factors that received the highest percentage of ‘important’ or ‘very important’ responses included more competitive prices, increased quality of products or services, and increased variety of stores, products, or services.

Targeted Industry Types by Geographic Location

Staff worked with the Village CDA to develop a matrix to measure the appropriateness and desirability of various industry types in different geographical areas throughout the Village. The resulting matrix can be found in figure 9.35. Each industry is assigned points based upon how well they fulfill the criteria. Three catego-

INDUSTRY DESIRABILITY MATRIX SCORING SYSTEM

Quality of Employment (wages)

AVERAGE WAGE	POINTS
Less than \$35,000	0
\$35,000 to \$49,999	1
\$50,000 to \$64,999	2
\$65,000 or more	3

Data Source: Wages by Industry Group, Dane County, 2014; Wisconsin Dept. of Workforce Development

Match Skill Set/Experience of Residents

LOCATION QUOTIENT	POINTS
0 to 0.74	0
0.75 to 1.24	1
1.25 to 2.99	2
3.0 or more	3

Data Source: Location Quotients prepared by V. of Cottage Grove using data from 2010 U.S. Census

Growth Potential Within Wisconsin

PROJECTED % CHANGE	POINTS
% decrease	0
0 to 3% increase	1
3% to 6% increase	2
6% to 9% increase	3
9% to 12% increase	4
More than 12% increase	5

Data Source: Wisconsin Long Term Industry Employment Projections, 2012 to 2022; Wisconsin Dept. of Workforce Development

Figure 9.35

VILLAGE OF COTTAGE GROVE INDUSTRY DESIRABILITY MATRIX

	APPLICABLE TO ALL AREAS				NORTH OF I-94				COMMERCE PARK				N. MAIN STREET				HWY N & BB INTERSECTION				COTTAGE GROVE RD.				C.G. BUSINESS PARK				OLDE TOWN			
	Quality of employment (wages)	Match skill set/ experience of residents	Growth potential within Wisconsin	SUBTOTAL	Area provides suitable access for Industry	Consistent with est. aesthetics and quality of life impacts in area	Potential for synergy with existing businesses in area	TOTAL - N. OF I-94	Area provides suitable access for Industry ⁴	Consistent with est. aesthetics and quality of life impacts in area	Potential for synergy with existing businesses in area	TOTAL - COMMERCE PARK	Area provides suitable access for Industry	Consistent with est. aesthetics and quality of life impacts in area	Potential for synergy with existing businesses in area	TOTAL - N. MAIN STREET	Area provides suitable access for Industry	Consistent with est. aesthetics and quality of life impacts in area	Potential for synergy with existing businesses in area	TOTAL - HWY N & HWY BB INTERSECTION	Area provides suitable access for Industry	Consistent with est. aesthetics and quality of life impacts in area	Potential for synergy with existing businesses in area	TOTAL - COTTAGE GROVE RD. CORRIDOR	Area provides suitable access for Industry	Consistent with est. aesthetics and quality of life impacts in area	Potential for synergy with existing businesses in area	TOTAL - COTTAGE GROVE BUSINESS PARK	Area provides suitable access for Industry	Consistent with est. aesthetics and quality of life impacts in area	Potential for synergy with existing businesses in area	TOTAL - OLDE TOWN
INDUSTRY																																
Accommodation & Food Service	0	1	3	4	3	3	3	13	3	3	3	13	3	3	3	13	3	3	3	13	3	3	3	13	0	0	0	4	3	3	3	13
Admin., Waste Management, & Remediation	0	0	5	5	2	1	0	8	1	1	0	7	0	0	0	5	0	0	0	5	0	0	0	5	1	1	1	8	0	0	0	5
Arts, Sports, Entertainment, & Recreation	0	1	5	6	3	2	2	13	0	0	0	6	1	1	2	10	0	0	0	6	1	1	2	10	0	0	0	6	0	0	0	6
Banking, Finance, & Insurance	3	0	3	6	2	3	3	14	3	3	3	15	3	3	3	15	3	3	3	15	3	3	3	15	0	0	0	6	3	3	3	15
Construction	2	3	5	10	3	1	3	17	1	0	0	11	0	0	0	10	0	0	0	10	0	0	0	10	3	3	3	19	0	0	0	10
Educational Services	0	0	2	2	2	3	2	9	2	3	2	9	2	3	2	9	2	3	2	9	2	3	2	9	1	1	1	5	2	3	2	9
Health Care & Social Assistance	1	0	5	6	3	3	2	14	3	3	2	14	3	3	3	15	3	3	3	15	3	3	3	15	1	1	1	9	3	3	3	15
Information	3	0	1	4	2	3	3	12	2	3	3	12	3	3	3	13	3	3	3	13	3	3	3	13	2	2	2	10	3	3	3	13
Management of Companies & Enterprises	3	0	5	8	2	3	3	16	3	3	3	17	3	3	3	17	3	3	3	17	3	3	3	17	2	2	2	14	3	3	3	17
Manufacturing of Durable Goods	2	0	2	4	3	1	2	10	2	2	2	10	0	0	0	4	0	0	0	4	0	0	0	4	3	3	3	13	0	0	0	4
Manufacturing of Non-Durable Goods	2	0	0	2	3	1	2	8	2	2	2	8	0	0	0	2	0	0	0	2	0	0	0	2	3	3	3	11	0	0	0	2
Natural Resources & Mining	1	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1	0	0	0	1
Other Services	0	0	2	2	2	2	1	7	2	2	1	7	2	2	2	8	3	3	3	11	2	2	2	8	2	2	2	8	3	3	3	11
Professional, Science, & Technical Services	3	0	4	7	2	3	3	15	3	3	3	16	3	3	3	16	3	3	3	16	3	3	3	16	2	2	2	13	3	3	3	16
Real Estate & Rental & Leasing	1	0	5	6	2	3	3	14	3	3	3	15	3	3	3	15	3	3	3	15	3	3	3	15	1	1	1	9	3	3	3	15
Retail Trade	0	1	1	2	3	3	3	11	3	3	3	11	3	2	3	10	3	3	3	11	3	2	3	10	0	0	0	2	3	3	3	11
Transportation & Warehousing	1	2	3	6	3	2	3	14	3	2	3	14	0	0	0	6	0	0	0	6	0	0	0	6	3	3	3	15	0	0	0	6
Utilities	3	2	0	5	3	1	2	11	2	1	2	10	0	0	0	5	0	0	0	5	0	0	0	5	3	3	3	14	0	0	0	5
Wholesale Trade	2	3	4	9	3	2	2	16	3	2	3	17	0	0	0	9	0	0	0	9	0	0	0	9	3	3	3	18	0	0	0	9

Source: Village of Cottage Grove Community Development Authority

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ries are applicable to all areas in the Village (average wages, how well the industry matches the skill sets of Village residents, and the growth potential of the industry - see blue sidebar on p. 134). Other criteria are assigned points based upon how well the industry fulfills the criteria in any given geographical area. Areas include the lands north of I-94, the Commerce Park, N. Main Street, Highway N and Highway BB intersection, Cottage Grove Road corridor, the Cottage Grove Business Park, and the Olde Town area. Points are totaled for each industry within each geographic area. Higher point totals reflect industries that are more appropriate for that area.

The matrix identifies some industries that are highly applicable for some areas, and less applicable for others. For example, construction appears to be highly compatible with the land north of I-94 (17 points) and with the Cottage Grove Business Park (19 points), but is less applicable elsewhere with scores no higher than 11. Similar results can be found for wholesale trade, which scores 16 points or higher north of I-94, in the Commerce Park, and in the Business Park, but no higher than 11 anywhere else.

Meanwhile, some industries appear equally applicable in most areas. For example, accommodations and food service scores a 13 in all but one of the locations.

Market Trends

Xceligent, Inc. is one source of market trend reports for the Madison region. For the purpose of examining the current regional office, industrial, and retail markets a summary of Xceligent's 2017 first quarter reports is provided below.

Office Market Trends

According to Xceligent, the 'Madison office market continues to improve as overall vacancy rate continues its steady decline.' Xceligent also references an increase in new construction with new developments expected in the near future. Overall they project a 'positive outlook for the Madison office market for the remainder of 2017.'

Xceligent divides the Madison region into five subregions within the office market (downtown, east, south, west, and far west). Cottage Grove is part of the east subregion.

The east subregion contains a total inventory of nearly 2.5 million square feet of office space, which is approximately 16% of the Madison region's total (15.8 million). The east subregion's vacancy rate for Class A office space is 5.4% which is slightly higher than the rate for the region as a whole (4.8%). Vacancy rates for Class B office space are also similar between the east subregion (10.0%) and the Madison region (10.4%). The vacancy rate for Class C office space is much higher in the east subregion (19.4%) than in the Madison region (11.9%).

The east subregion contains approximately 13% of the region's Class A office space. The region as a whole absorbed about 83,000 square feet of Class A space in 1Q 2017. Absorption rates can fluctuate widely based on particular projects completed in any given quarter, but if these numbers are taken to be typical it could be expected that the east subregion would absorb less than 11,000 square feet of Class A office space per quarter. If it is estimated that the building square footage equals about 1/3 of the land upon which the building sits, this would represent about 33,000 square feet of land per quarter, or about 3 acres per year in the east subregion, of which Cottage Grove could expect only a share.

Industrial Market Trends

According to Xceligent, the 'Madison industrial market improved from 4Q 2016, posting over 170,000 square feet of positive absorption' and the 'perceived shortage in quality available industrial space could force developers to bring conceptual projects to fruition.' They also note that the industrial vacancy rate remains below 3% 'showing the overall strength and resiliency of the market.'

Xceligent divides the Madison region into seven subregions within the office market (central, east, northeast, northwest, southeast, southwest, and west). Cottage Grove is part of the east subregion.

The east subregion contains a total inventory of 9.9 million square feet, which is approximately 23% of the Madison region's total inventory (42.8 million square feet). The east subregion's vacancy rate for flex space is 11.8%, which is slightly higher than the Madison region's vacancy rate (10.2%). Vacancy rates for light industrial are low in both the east subregion (0.8%) and the region as a whole (0.4%). The vacancy rate for warehouse/distribution in the east subregion is 4.1%, compared to 2.8% in the broader region.

In 1Q 2017, the Madison region absorbed over 170,000 square feet of industrial space. The fact that vacancy rates are lower than office uses even though the total regional inventory is three times greater would appear to indicate growth potential for industrial uses in the Village, specifically for warehouse/distribution and light industrial uses that would benefit from the Village's access to I-94.

Retail Market Trends

According to Xceligent, the Madison region retail market experienced negative absorption in 1Q 2017, meaning more space was newly vacated than newly occupied. They further note that the 'market has remained relatively unchanged with the vacancy rate increasing only 20 basis points over the past year', and they add that 'much of the vacancy increase has come from convenience and strip centers, along with neighborhood and community centers.'

Xceligent divides the Madison region into five subregions within the retail market (downtown, east, north, south, and west). Cottage Grove is part of the east subregion. The east subregion contains a total inventory of nearly 6.2 million square feet, which is 42% of the Madison region's total inventory (14.5 million square feet). Driven by the East Towne Mall and the emerging Prairie Lakes development in Sun Prairie, the east region's share of the retail market far exceeds its share of the office and industrial markets.

The east subregion's vacancy rate for convenience/strip centers is

15.0%, which exceeds the regional rate in that category (10.3%). In the category of neighborhood/community retail centers the east subregion's vacancy rate (7.5%) is identical to the rate for the region as a whole.

Comparison of Selected Madison Region Business Parks

The Village CDA performed an analysis of selected business parks or commercial areas located throughout the Madison region. This analysis was done in the context of investigating appropriate land uses for Village lands located north of Highway TT, and can be found in figure 9.39 on the next page. The locations were selected to provide a variety of land uses for examination as some locations are primarily commercial (such as Prairie Lakes), some are primarily office (such as the University Research Park), and some are primarily industrial (such as the Sun Prairie Business Park). Others include a mix of multiple uses (such as the Cottage Grove Commerce Park).

The analysis shows that the locations that include larger amounts of office tend to have a higher percentage of employees making over \$40,000/year, a higher density of employees per acre, and higher property values per acre. While these factors combine to make office a desirable land use, they must be considered relative to the relatively low absorption rate for office acreage noted above.

Locations skewed more heavily toward light industrial uses tend to have lower employees per acre and lower property values per acre. However, as noted above the total inventory of light industrial land is larger within the region and absorption rates suggest that new industrial land may tend to develop more quickly.

Locations dominated by commercial development tend to have a lower percentage of workers making more than \$40,000, while property values are comparable to the lower range of values for office development. As noted above, the retail market in the east subregion appears to be saturated relative to other uses.

The locations represent a mix of public and private developments.

Figure 9.36

COMPARISON OF SELECTED MADISON REGION BUSINESS PARKS & COMMERCIAL CENTERS

Location (see map in Figure 9.39)	Size (acres)	Year Founded	Ave. Land Value/acre ¹	Ave. Imp. Value/acre ¹	Ave. Total Value/acre ¹	Total Employees ²	Employees per acre ³	% Jobs w/ Annual Income > \$40,000 ²	Ownership (Public or Private)	Distance to nearest Interstate (miles)	Land Use Types
1. Cottage Grove - Commerce Park	127	1996	\$101,856	\$492,072	\$638,586	468	10.0	46%	Public	0.3	Office, Lt. Indust., Comm.
2. DeForest Business Park	287	1995	\$59,256	\$273,883	\$333,139	471	3.0	51%	Public	2.1	Lt. Indust.
3. Madison - American Center	448	1991	\$163,956	\$760,825	\$924,781	4,623	25.8	55%	Private	0.6	Office, Comm.
4. Madison - Ctr. for Ind. & Commerce	206	2002	\$129,811	\$403,755	\$533,566	308	7.0	47%	Public	1.2	Lt. Indust.
5. Madison - Univ. Research Park	224	1984	\$181,090	\$748,658	\$955,166	3,452	21.1	51%	Public	10.5	Office, R&D
6. Middleton - Airport Rd. Business Park	227	1998	\$300,356	\$751,264	\$1,052,580	1,459	17.6	65%	Private	16.5	Office, Lt. Indust.
7. Middleton - Greenway Station & Center	260	1989	\$406,022	\$1,443,106	\$1,846,141	3,930	25.9	53%	Private	16.0	Comm., Office
8. Sun Prairie Business Park	342	1985	\$66,391	\$302,592	\$368,301	1,242	5.5	56%	Public	6.0	Lt. Indust.
9. Sun Prairie - Prairie Lakes	189	2009	\$300,536	\$570,739	\$879,278	1,127	12.5	19%	Private	2.4	Comm.
10. Verona - Epic Campus	780	2001	\$99,089	\$2,280,353	\$2,379,442	7,620	20.6	93%	Private	16.4	Office
11. Verona - Liberty Business Park	206	2011	\$193,495	\$258,677	\$452,172	0	0.0	n/a	Private	14.2	Lt. Indust.
12. Verona - Tech. Park	207	2004	\$86,673	\$226,734	\$310,406	179	2.6	56%	Private	14.4	Lt. Indust.

¹ Source: Access Dane, 2016 assessment, improved parcels, excludes tax exempt parcels

² Source: U.S. Census Bureau, Center for Economic Studies, all jobs, 2014 data

³ Source: Total employees divided by acres of land with improvements

Figure 9.37



Source: Village of Cottage Grove

The type of ownership does not appear to impact the other data.

Given this analysis the CDA felt that the land north of Highway TT should include some land reserved for office use (10 to 20 acres), with small commercial parcels along Highways N and TT to serve local employees and interstate travelers. The remainder should include a mix of light industrial/distribution and an intermediate area of higher quality industrial and office mixed, similar to the Commerce Park. The specific proposed layout can be found in the Land Use chapter of this plan.

Summary of Desired Businesses

The following is a summary of the findings of section B.

Office Market

- Office related industries such as education and health care, professional and business services, and information are projected to experience significant growth in South Central Wisconsin.
- The Cottage Grove Business Survey records small offices as a business type that would improve the local business climate.
- Industries such as banking and finance; health care and social assistance; professional, science, and technical services, and real estate scored highly for most areas in the Village by the CDA’s matrix of desired businesses.
- Marketing, design, and publishing and distribution and elec-

tronic commerce are clusters that appear to have a foothold in Cottage Grove or in the east side of Madison.

- Recent market trends and projections by real estate experts suggest growth potential in the office market, but the total inventory of office property in the market is small relative to other commercial uses so absorption may be gradual.
- The CDA's analysis of Madison area business parks shows that parks which contain large amounts of office space have the highest density of jobs per acre, the highest percentage of high paying jobs, and the highest value per acre.

Industrial Market

- While manufacturing is not projected as a major growth industry in South Central Wisconsin (approximately 3% increase by 2024), construction employment is expected to grow 15% by 2024.
- The Cottage Grove Business Survey records light industrial as a business type that would improve the local business climate.
- Industries such as construction, wholesale trade, and transportation and warehousing scored highly in one or more areas in the Village by the CDA's desired business matrix.
- Distribution and electronic commerce, communications equipment, agricultural inputs, transportation and logistics, food processing and manufacture, and wood products are clusters that appear to have a foothold in Cottage Grove or in the east side of Madison.
- Recent market trends and projections by real estate experts show very low vacancy rates for most industrial categories. The total inventory of industrial property in the Madison region is large relative to other uses, so even moderate gains by percentage may lead to significant increases in square footage required.
- The CDA's analysis of Madison area business parks shows that parks which contain large amounts of industrial space have the lowest density of jobs per acre, and the lowest value per acre.

Retail Market

- A gap analysis or leakage study for the 10 minute drive time radius from the intersection of Highways N & BB reveals significant leakage of retail spending from the Cottage Grove community, suggesting opportunities for additional or expanded local businesses to fill the needs of the local community.
- The gap analysis shows a large surplus at the 20 minute and 30 minute drive time radii. This suggests that retail at a regional level is more saturated. A larger retail center serving a population beyond community residents would face significant competition from established centers.
- Restaurants, specialty foods, and building and garden supplies are business types shown by the gap analysis to have local growth potential.
- The Cottage Grove Business Survey reveals that locally owned businesses, entertainment facilities, outdoor recreation, and sit down restaurants were the most heavily supported as a major improvement to the local business climate.
- The Cottage Grove Community Survey reveals that bakeries, sit down restaurants, hotels, housewares and gifts, and fast food restaurants are the most commonly desired additions to the local business community.
- Industries such as retail trade, and accommodations and food services scored at a moderate level in one or more areas in the Village by the CDA's desired business matrix. The scores in these industries were to some degree limited by the low average wages in these fields.
- The CDA's business park analysis shows that locations heavily skewed toward retail or commercial development showed the lowest percentage of high paying jobs and a moderate level of value per acre.

C. Local Economic Development Organizations and Programs

Partner Agencies

The Village collaborates with a number of partner agencies related to economic development at the local, county, regional, and state levels.



Village of Cottage Grove Community Development Authority

In June of 2014 the Village Board passed an ordinance creating the Cottage Grove Community Development Authority (CDA). The CDA is a seven member institution comprised of two elected Village Board members and five residents. Examples of projects that may be undertaken include redevelopment plans for specific areas (in particular areas around the intersection of Main Street and Cottage Grove Road), the creation of a revolving loan fund to assist business recruitment and expansion, and the creation of loan or grant programs supporting facade improvements or the renovation of historic commercial and residential structures in the Old Town area. Each year the CDA will prepare a work plan and budget for approval by the Village Board. Any project that arises outside the approved annual work plan will require separate Village Board approval.



Cottage Grove Chamber of Commerce

The Cottage Grove Chamber of Commerce represents the interests of member businesses in and around the Cottage Grove community. Several Village staff members and elected officials are chamber members, and staff communicates frequently with chamber leadership. The chamber has executed a number of projects to improve the business climate in Cottage Grove including a buy local campaign called 'Cottage Grove First', and a community branding project performed with the assistance of the UW-Extension. The chamber serves as a convenient conduit when Village staff needs to disseminate information to the business community. More information about the chamber can be found on their website (www.cottagegrovechamber.com).



Alliant Energy Economic Development Staff

Alliant Energy's Economic Development staff provides a variety of technical and consulting services to economic and community development organizations, including: information resources, site and building evaluation, marketing material development, community assessments, industrial marketing support, workforce development assistance. More information can be found on Alliant's website (www.alliantenergy.com).



Dane County Department of Planning & Development

In addition to managing the planning and zoning process for

unincorporated areas within Dane County, the Department of Planning and Development manages grant programs such as the BUILD (Better Urban Infill Development) program and a revolving loan fund. They also produce specialized studies such as a recent housing needs assessment. More information can be found on the department's website (www.countyofdane.com/plandev).



Madison Region Economic Partnership

MadREP is a multi-county regional economic development entity comprised of Dane, Dodge, Columbia, Sauk, Jefferson, Green, Iowa, and Rock counties. MADREP assists in the coordination of economic development efforts in the region, hosts events and conferences, and represents the region nationally and internationally. More information can be found on MADREP's website (www.madisonregion.org).



Wisconsin Economic Development Corporation

The Wisconsin Economic Development Corporation (WEDC) is a public/private organization which is the state's lead economic development organization. The WEDC manages Wisconsin's economic development grant, loan, and tax credit programs. They

also provide information on available buildings and properties and certify development ready sites that meet program criteria. The organization is also involved in workforce training at all levels. The WEDC was created by the Wisconsin legislature in 2011 to replace the Department of Commerce. More information about the WEDC can be found on their website (www.inwisconsin.com).

Available Economic Development Programs

The State of Wisconsin and other agencies offer a number of economic development programs, primarily administered by the WEDC. The following is a list of programs that could be applicable to the Village or to businesses and employers in the Village.

WEDC

- **Brownfield Grants:** grants to local governments, businesses, non-profits, and individuals for developing commercial and industrial sites that have been adversely affected by environmental contamination.
- **Brownfield Site Assessment Grants:** grants funds to approved projects to assist local governments with conducting initial environmental assessment and demolition activities on an eligible abandoned, idle, or underutilized industrial or commercial site.
- **Business Opportunity Loan Fund:** Financing options ranging from loans to loan guarantees for businesses making investments to expand or relocate to Wisconsin.
- **Capacity Building Grants:** grants to assist local and regional economic development groups to create an advanced economic development network in Wisconsin.
- **Capital Catalyst:** matching grants to seed funds managed by local communities and other eligible entities to provide capital to high-growth startups and emerging growth companies.
- **Community Development Investment Grant:** financial support for shovel ready projects with particular emphasis on downtown community driven efforts that deliver significant, measurable benefits in job opportunities, property values, and/or leveraged

investment by local and private partners.

- **Global Business Development Grants:** grant funding to support the growth and expansion of exports by Wisconsin companies.
- **Idle Industrial Sites Redevelopment:** highly competitive program offering grants to Wisconsin communities for the implementation of redevelopment plans for large industrial sites that have been idle, abandoned, or underutilized for at least five years.
- **Industrial Revenue Bonds:** a unique type of revenue bond organized and issued by a state or local government, the proceeds of which are directed to a private, for-profit business.
- **Seed Accelerator:** provides grants to eligible communities and other organizations to support a pre-seed business model program that incorporates training, mentoring, and financial assistance to entrepreneurs in their area. Grant funds may be used as seed capital for companies in the accelerator, as well as for costs associated with initiating the accelerator program.
- **Special Project Loan Fund:** loans or loan guarantees to eligible companies preparing for future growth; diversifying operations, markets, or product lines to increase competitiveness; or preparing a site for future commercial development.
- **Technology Development Loans:** flexible lending program designed to assist high-tech startup and emerging growth companies in financing the development and launch of innovative products and services.
- **Business Development Tax Credit:** provides refundable income tax credits that can be earned based on jobs, capital investment, training and the location or retention of corporate headquarters.
- **Capital Gains Investment Incentives:** capital gains on funds invested in qualified Wisconsin businesses are completely exempt from the capital gains tax after the investment has been held for five years. Capital gains on existing investments which are sold

in order to generate funds for investments in qualified Wisconsin businesses are deferred so that they are not taxed at the time they are invested in the Wisconsin business.

- **Historic Preservation Tax Credit:** state income tax credit for 20% of the qualified rehabilitation expenditures for eligible buildings.
- **Job Creation Deduction:** companies can take an exclusion from income if they create jobs in Wisconsin of \$4,000 per employee for small businesses and \$2,000 per employee for large businesses.
- **Manufacturing and Agriculture Credit:** available to individuals and entities for taxable years that begin on or after January 1, 2013 for manufacturing and agricultural activities in Wisconsin.
- **Property Tax Exemptions:** machinery and equipment used in manufacturing is exempt from personal property taxes. Manufacturer and merchant inventories are exempt from personal property taxes. Certain waste treatment facilities owned by utilities, manufacturers, and commercial businesses used for the treatment of industrial waste materials are exempt from general property taxes.
- **Qualified New Business Venture Program:** helps drive investment to innovative early-stage Wisconsin companies by allowing investors to claim a 25% tax credit on the amount they invest into a QNBV-certified business.
- **Research and Development Tax Credit:** an R&D credit is available to corporations, sole proprietorships, and pass through entities equal to 5% (10% in some cases) of the excess of qualified research expenses for the current year over a base amount.
- **Sales Tax Exemptions:** Wisconsin state sales tax is not paid on machinery and equipment used by a manufacturer in producing tangible personal property; tangible personal property that becomes and ingredient or component of another product; tangible personal property that is consumed or loses its identity in the manufacturing of tangible personal property; machinery, equipment, and tangible personal property used in research by

companies that are engaged in manufacturing or biotechnology; and fuel and electricity used in manufacturing.

- **Apprentice Completion Award Program:** offers employers, adult apprentices, and sponsors a 25% reimbursement (up to \$1,000) for instruction costs including tuition, books, materials, and other course fees.
- **Expotech:** export acceleration program to help Wisconsin companies expand their global market reach through targeted export strategy development and execution.
- **Industry Development:** WEDC's Division of Business and Industry Development delivers customized solutions, technical and financial, to established business associations, consortia, and industry cluster organizations in order to create favorable conditions for expanding existing Wisconsin industries and attracting new companies to priority industry sectors in Wisconsin. The division also supports minority businesses by working with and providing resources for revolving loan funds and technical assistance to minority business development groups.
- **Veteran Grant Program:** offers employers a state grant of up to \$10,000 over four years for hiring and retaining eligible veterans.
- **Wisconsin Fast Forward:** makes \$15 million in grants available to employers to develop and implement innovative and collaborative customized training solutions for skilled workers.

Wisconsin Housing and Economic Development Authority (WHEDA)

- **Low-Income Housing Tax Credits:** encourages private investments in the development and rehabilitation of rental housing for low and moderate income families, seniors, and persons with special needs.
- **New Markets Tax Credits:** resource to help fuel job creation and economic development efforts by promoting equity investments in low-income urban and rural communities.
- **Emerging Business Program:** created to encourage the involvement, utilization, and development of economically disad-

vantaged businesses in Wisconsin. Enterprises must be certified by appropriate local, state, or federal agencies. Some examples of certified enterprises include Minority Business Enterprises (MBE), Disadvantaged Business Enterprises (DBE), Small Business Enterprise (SBE), Women Business Enterprise (WBE), and Veteran Owned Business (VOB).

WI Dept. of Administration, Bureau of Community Development

- **Community Development Block Grant, Public Facilities program (CDBG-PF):** supports infrastructure and facility projects for communities including improvements, repairs, or expansion of streets, drainage systems, water and sewer systems, sidewalks, and community centers.
- **Community Development Block Grant, Economic Development program (CDBG-ED):** awarded to local governments to assist businesses to create or retain jobs for individuals with low and moderate incomes. Examples include business loans to expand facilities or purchase equipment, specialized employee training, and business infrastructure projects.
- **Community Development Block Grant, Public Facilities Economic Development program (CDBG-PFED):** awarded to local governments for public infrastructure projects that support business expansion or retention. Examples include new or improved water and sewer systems and streets that result in business expansion and job opportunities for low to moderate income individuals.

- **Community Development Block Grant, Planning program (CDBG-PLNG):** supports community efforts to address improving community opportunities and vitality. Examples include development of comprehensive plans, community development plans, and small area or neighborhood plans.

Dane County

- **Better Urban Infill Development (BUILD) Grant:** county partners with community to plan and implement an infill development project.

Brownfield Development Opportunities

State statute requires a comprehensive plan to evaluate and promote environmentally contaminated sites for commercial and industrial uses in the community. The WisDNR, through its Environmental Remediation and Redevelopment Program, maintains a list of contaminated sites, or brownfields, in the state. WisDNR defines brownfields as “abandoned or under-utilized commercial or industrial properties where expansion or redevelopment is hindered by real or perceived contamination.” Examples of brownfields can be anything from a large abandoned industrial site to a small corner gas station. Properties listed in the WisDNR database are self-reported, and do not represent a comprehensive listing of possible brownfields in a community. Other state and federal databases may provide more comprehensive lists for the Village.

According to the Bureau for Remediation and Redevelopment Tracking System (BRRTS), as of May 2017 there was one contaminated site in the Village of Cottage Grove where monitoring was ongoing. This case, groundwater contamination located at Hydrite Chemical, opened in 1982. Continuous monitoring still occurs, with reports filed to the state several times per year. The effects are not deep enough to affect the Village’s municipal wells. By law, the Village water supply, like all municipal water supplies, is tested routinely for quality. There are nine additional sites that appear on the WDNR mapping site, all of which are closed cases where affects have already been mitigated. Most were minor occurrences caused by leaking underground storage tanks.

The locations of these environmentally contaminated sites were considered when making the land use recommendations in this Plan.

D. Village Policy and Infrastructure

Tax Increment Financing Districts

The Wisconsin legislature provided municipalities the authority to create Tax Increment Financing Districts (TID) through statutes

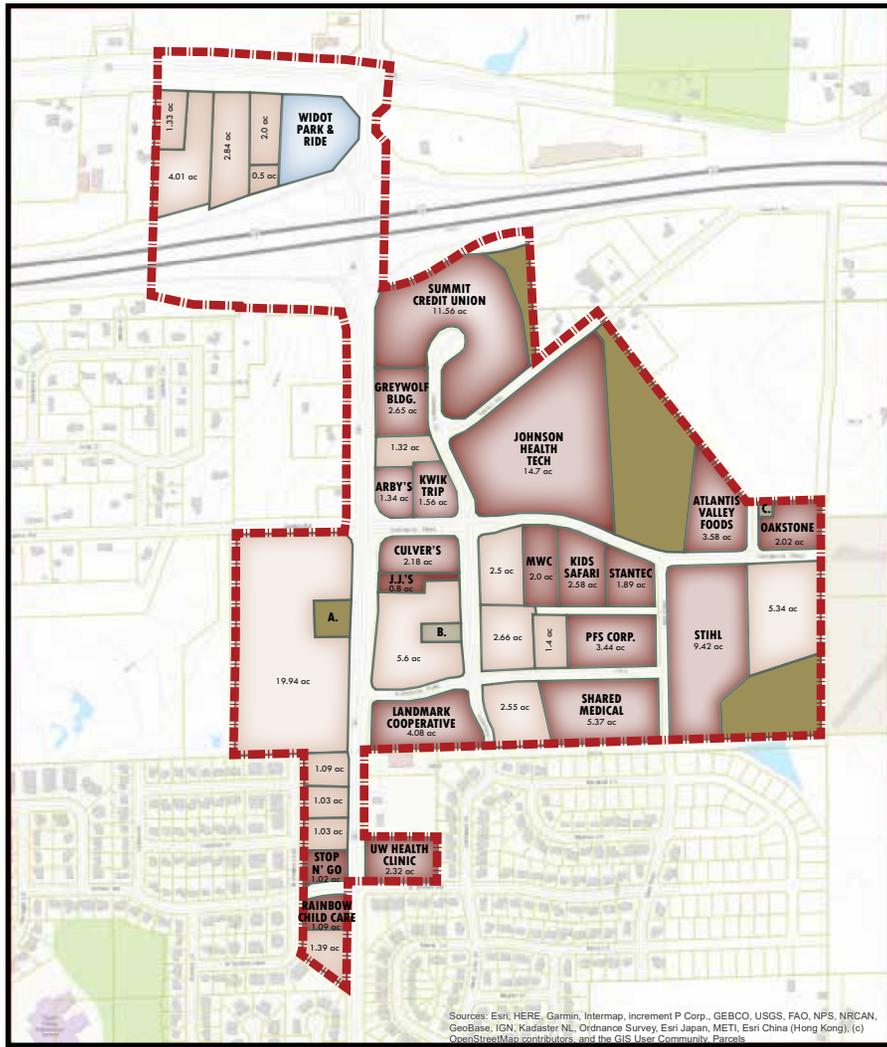
created in the 1970s (which have since been amended from time to time). In the decades that followed, Tax Increment Financing (TIF), has become the primary economic development tool at the local level.

There are five different types of TID: industrial, mixed use, blight elimination, conservation and rehabilitation, and environmental remediation. Each type is governed by slightly different regulations, especially in regard to maximum lifespan which ranges from 20 to 27 years. At least fifty percent of the land within the district must be suitable for one of the listed uses. The statutes include mechanisms to extend the length of a district’s timespan or to donate proceeds from one ‘donor’ TID to another struggling TID under certain circumstances.

Tax increment financing occurs within a defined boundary with an associated project plan. The taxes generated by the property value of the land within the boundary at the time of the district’s creation continue to be divided among all taxing jurisdictions. Any taxes generated by an increase in property value within the boundary are collected in a designated fund by the municipality for use in implementing the project plan. Valid expenditures include infrastructure improvements, land purchase, environmental remediation, and developer incentives among others. Expenditures and incentives are subject to what’s commonly referred to as the ‘but for’ test, as in, but for the expenditure the related development would not occur.

There are currently six active TIF districts in the Village of Cottage Grove. TID #5 (figure 9.39) includes the Cottage Grove Commerce Park, TID #6 (figure 9.40) is focused on the intersection of Main Street (Highway N) and Cottage Grove Road (Highway BB). TID #7 (figure 9.41) includes the historic core of the Village along S. Main Street along with most of the Cottage Grove Business Park on Progress Drive. TID #8 (figure 9.42) is located on W. Cottage Grove Rd., TID #9 (figure 9.43) largely overlaps and will replace TID #6, and TID #10 (figure 9.44) is located north of Highway TT along Highway N.

Figure 9.38



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community, Parcels

TAX INCREMENT DISTRICT #5



Legend

- Developed commercial/industrial parcel (68.78 acres)
- Undeveloped parcel (61.35 acres)
- Preserved open space (stormwater facility, cemetery, etc.)
- Utility parcel (water, sewer, transportation uses)
- Community facility (park & ride)

- A. Gaston (aka Prairie) Cemetery
- B. Village of Cottage Grove Well #4
- C. Village of Cottage Grove Lift Station



Figure 9.39



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community, Parcels

TAX INCREMENT DISTRICT #6



Legend

- Developed commercial/industrial parcel
- Undeveloped parcel
- Community facilities (schools, churches, etc.)
- Developed residential parcels



Figure 9.40

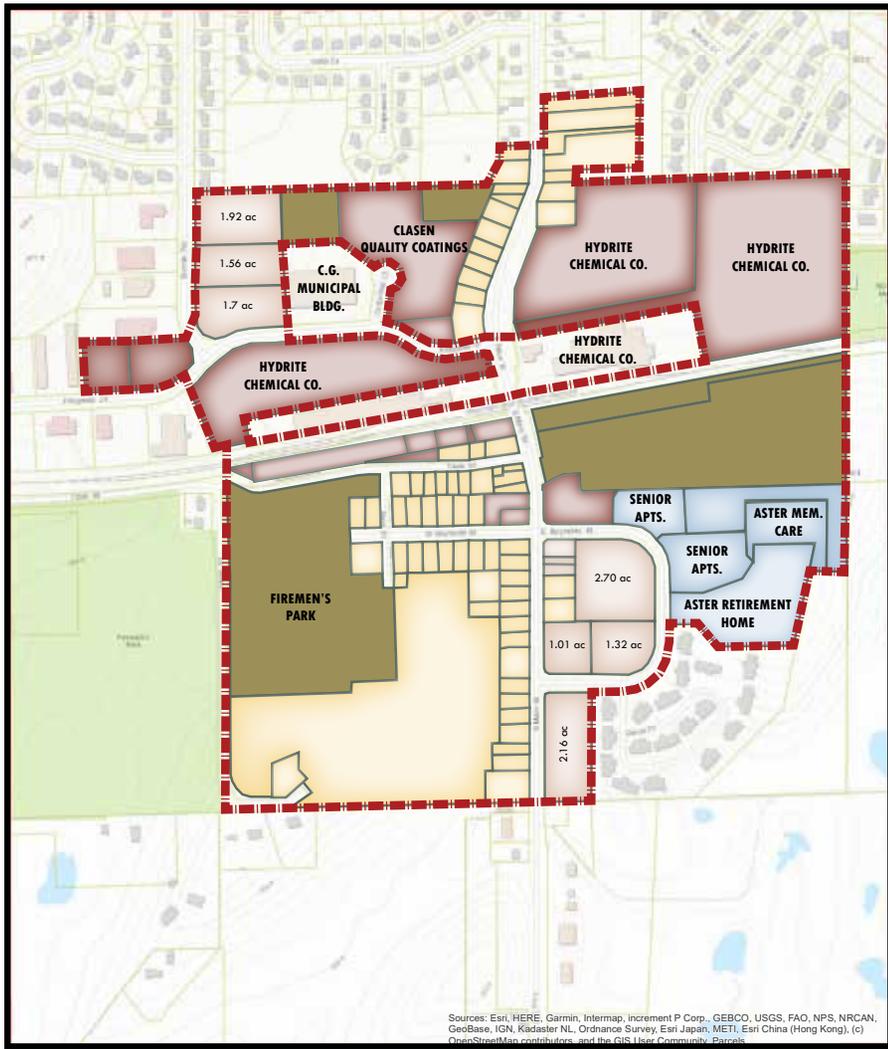
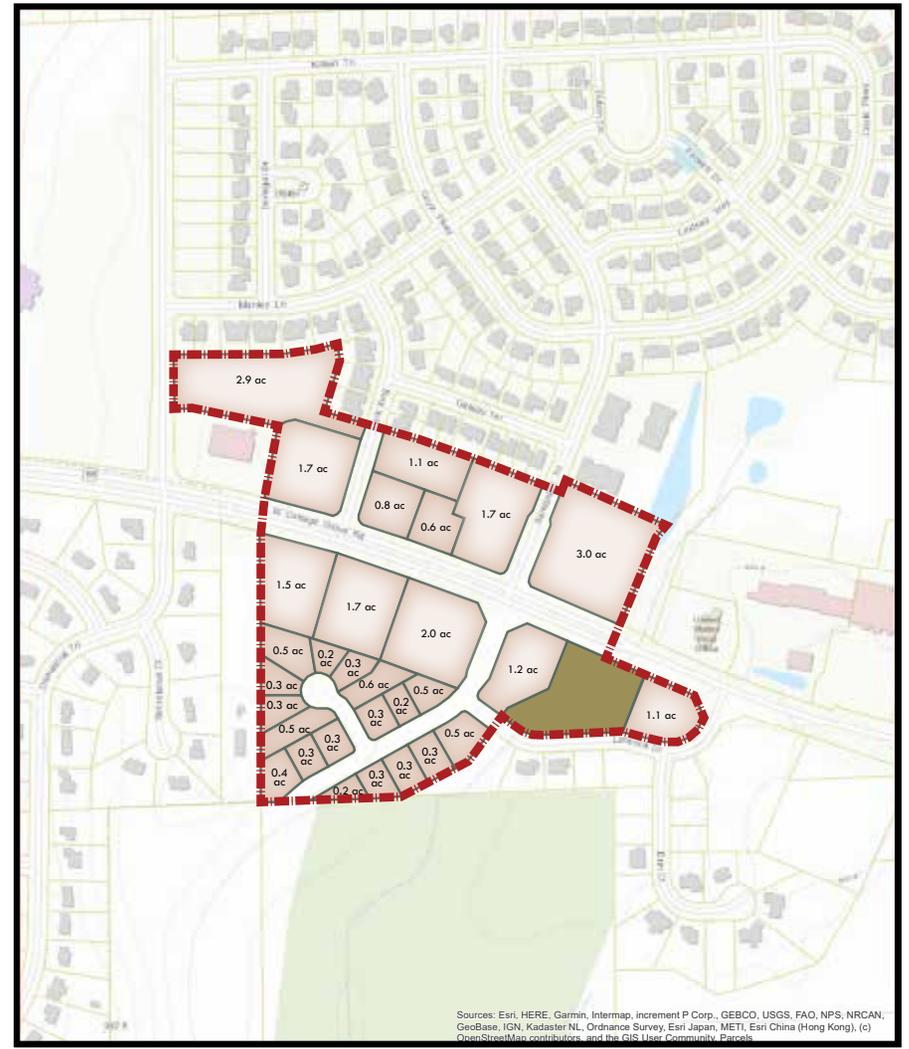
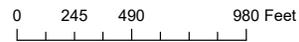


Figure 9.41



TAX INCREMENT DISTRICT #7

- Legend
- Developed commercial/industrial parcel
 - Undeveloped parcel
 - Preserved open space (park, stormwater facility, etc.)
 - Utility parcel (water, sewer, transportation uses)
 - Community facilities (senior housing, nursing homes, etc.)



TAX INCREMENT DISTRICT #8

- Legend
- Undeveloped parcel
 - Preserved open space (park, stormwater facility, etc.)

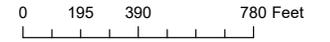


Figure 9.42



TAX INCREMENT DISTRICT #9

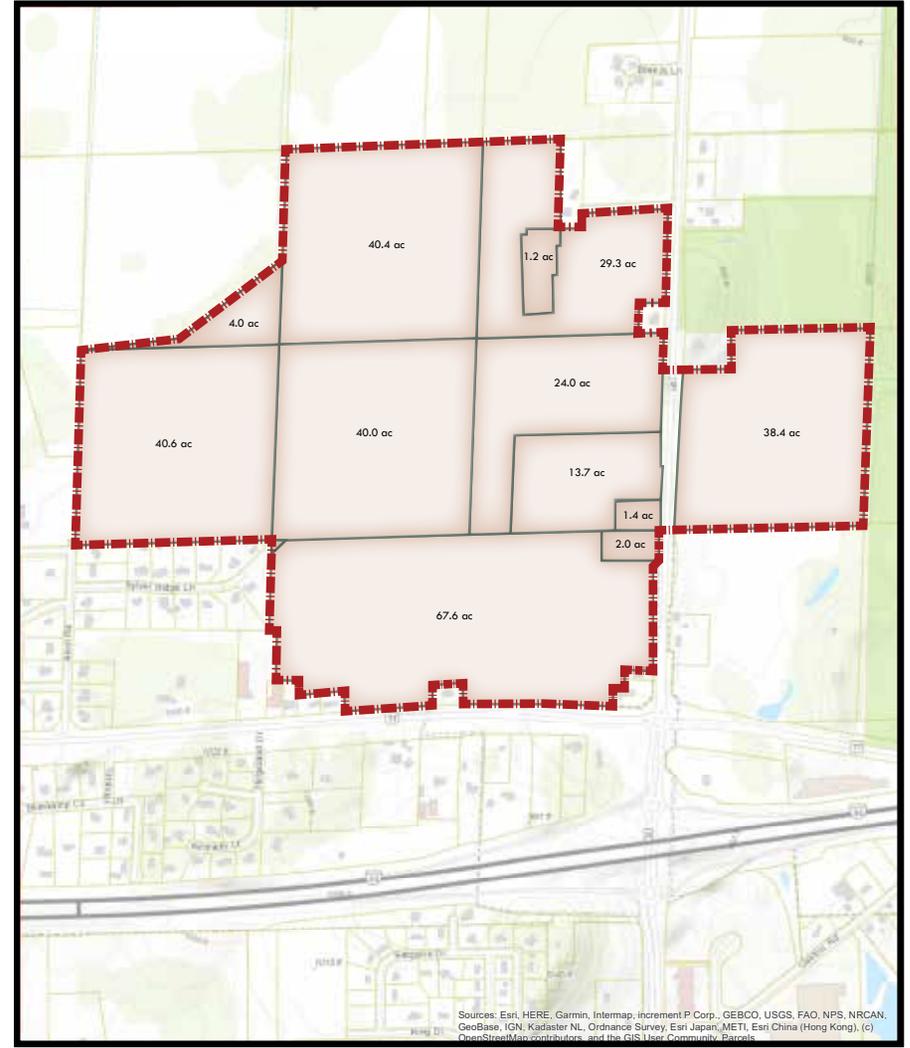
0 250 500 1,000 Feet

Legend

- Developed commercial/industrial parcel
- Undeveloped parcel
- Developed residential parcels



Figure 9.43



TAX INCREMENT DISTRICT #10

0 375 750 1,500 Feet

Legend

- Undeveloped parcel or redevelopment parcel



TID #5

TID #5 is an industrial district that was created in 2003. The expenditure period ends in 2021 and the final year revenue can be collected is 2027.

Recent projects within TID #5 include the Summit Credit Union headquarters, which opened in the spring of 2019.

The district includes 56.5 acres of undeveloped land, 21.4 acres of which are in the Commerce Park including five Village-owned parcels totaling 14.7 acres.

Given current development in the district, the Village's financial consultant (Ehler's) has determined that the district is on pace to close in the black in 2026.

TID #6

TID #6 is a mixed use district that was created in 2004. The expenditure period ends in 2019, and the final year revenue can be collected is 2025.

According to Ehler's the district is not providing enough increment to cover current debt service costs. The debt was largely accrued nearly a decade ago to fund the reconstruction of the Highway N and BB intersection.

In the absence of sufficient development in the district, the Village may need to levy for at least some of the debt service costs, or close the district which would require the Village to absorb debt service costs and administrative costs that are currently applied to the district.

The most likely parcels for development are the 28 acres at the southeast corner of Highway N and BB, which is currently owned by Horizon Development. A General Development Plan (the first step in a Planned Unit Development approval) was approved for the Horizon property in 2016. As of this writing it is unclear whether that project will proceed.

TID #7

TID #7 is a mixed use district that was created in 2004. The expenditure period ends in 2019, and the final year revenue can be collected is 2025.

Increment generated by several developments pays an incentive on a Tax Increment Revenue bond. According to Ehler's, the fund balance has been spent down on TID eligible expenses.

Future development opportunities include the remaining portions of the Arrowwood Village planned unit development.

TID #8

TID #8 is a mixed use district that was created in 2018. The expenditure period ends in 2033, and the final year revenue can be collected is 2038.

All of the parcels in TID #8 are currently undeveloped and present future development opportunities. They total 25.6 acres.

TID #9

TID #9 is a mixed use district that was created in 2018. The expenditure period ends in 2033, and the final year revenue can be collected is 2038.

TID #9 largely overlaps TID #6. TID #9 is intended to encourage development in the area after TID #6 closes. TID #9 includes 29.5 acres of currently undeveloped land, along with other parcels that may redevelop during the life of the TID.

TID #10

TID #10 is a mixed use district that was created in 2018. The expenditure period ends in 2033, and the final year revenue can be collected is 2038.

All of the parcels in TID #10 are currently undeveloped or are intended for redevelopment. They total approximately 300 acres.

Capacity for Additional Tax Increment Financing Districts

By Wisconsin statute, when a new tax increment district is created the value of any current TID and the base value of the new TID cannot exceed 12% of the Village's total equalized value. According to Ehler's, all of the increment value of each TID combined equals 8.29% of the total equalized value in the Village. Therefore, the base value of any new district or districts may not exceed \$23 million.

The most likely opportunities for new districts include W. Cottage Grove Road and the area north of Highway TT. The Village CDA recommended prioritizing the area north of Highway TT as the base value is lower (primarily valued as farm land) and the potential for increased value is quite high. However, if commercial development continues to remain stagnant on W. Cottage Grove Road, there is likely room under the statutory limit to create new districts at both locations.

E. Goals, Objectives, and Policies

Goals

1. Expand the commercial tax base in the Village of Cottage Grove to ease the tax burden on local residential property owners.
2. Support and enhance the local Cottage Grove business community.
3. Encourage employment growth within the Cottage Grove community to provide sufficient income and opportunities for residents, to provide quality employees for local businesses, and to attract commuters who may patronize local businesses.
4. Encourage the provision of necessary and desired goods, services, facilities, and establishments for the convenience of local residents, and to maximize the share of resident spending that remains in the community.

Objectives & Policies

1. Prioritize the preparation of land north of Highway TT and near the I-94 and Highway N interchange for future commercial, office, and light industrial development. Provide adequate municipal utilities and infrastructure as needed to ensure that supply of developable land is coordinated with growth.
 - a. Pursue an urban service area amendment to add areas located north of Highway TT to prepare these lands for the provision of municipal utilities.
 - b. Work with property owners, economic development organizations, developers, and other interested parties to attract commercial, office, and light industrial users to maximize the creation of tax base near the I-94 and Highway N interchange and the land north of Highway TT (see the Land Use chapter for a potential layout of land uses in this area).
 - c. When appropriate amounts of land are development ready, consider pursuing site certification through an established program such as the WEDC Site Certification Program, or the MADREP Gold Shovel Program.
 - d. Prioritize projects representing high aesthetic quality (comparable to projects within the Commerce Park) within sight of the I-94/Highway N interchange.
2. Maintain and support the vitality of current businesses and existing commercial districts.
 - a. Village staff and elected officials should continue to remain active members of the Cottage Grove Chamber of Commerce, keep in touch with Chamber leadership and staff, and seek opportunities to collaborate with the Chamber on projects that support the business community.
 - b. Continue to engage in business retention meetings with local business owners to learn about those businesses, seek opportunities to facilitate business connections, and to keep abreast of the needs and concerns of the local business community.

- c. Seek opportunities to collaborate with property owners and commercial brokers as vacancies arise to minimize periods of vacancy in commercial buildings.
 - d. Continue to communicate with local Townships when the Village is contacted regarding commercial or business development that is best suited for a rural location or does not require the full range of urban services.
 - e. Maintain an adequate supply of land on Cottage Grove Road, Main Street, and other locations to facilitate the growth of the Cottage Grove business community.
3. Encourage redevelopment and infill development at appropriate locations.
- a. Continue to use the Comprehensive Plan to identify opportunities for redevelopment and infill development.
 - b. Consider the judicious use of Tax Increment Financing to facilitate redevelopment or infill development of difficult to develop sites, within applicable TIF project plans. Structure and such deals to minimize risk for the Village, for example through 'pay as you go' financing.
 - c. Collaborate with local, state, and regional economic development organizations to seek opportunities for grants to facilitate redevelopment, infill, or related projects.
4. Encourage a positive impression of the Village in the media and to residents of the Madison region, and continue to market the Village to desired businesses, commercial real estate brokers, and economic development organizations.
- a. Work in collaboration with local partners to define and establish a community brand or identity.
 - b. Seek opportunities to collaborate with local, regional, and state economic development organizations and marketing initiatives.
 - c. Collaborate with local partners to maintain attractive community entry signage on Highways N and BB, and near the I-94 and Highway N interchange.
- d. Consider providing attractive entry signage and signage providing directions to established business districts along the planned Glacial Drumlin Trail/Capital City Trail connection.
- e. Continue to ensure the Village website and the Commerce Park website maintain current information, are user friendly, and feature a modern and attractive appearance as these sites often provide the first impression of the Village to interested businesses, residents, and developers.
- f. Continue to keep marketing materials current and flexible to ensure quick, customized responses to inquiries.
- g. Regularly distribute marketing materials to commercial brokers.
- h. Collaborate with local and regional media to promote positive stories about the community.
- i. Seek opportunities to collaborate with adjacent municipalities and the Cottage Grove Chamber of Commerce on projects that promote a unified Cottage Grove community.
5. Maintain or enhance the aesthetics of the Village's commercial and business districts.
- a. Continue to market the Commerce Park to businesses that are comparable with the aesthetics and operations of existing businesses.
 - b. Continue to monitor and revise the Village Sign Ordinance as needed to maintain balance between the needs of the local businesses with the aesthetics of the community.
6. Provide adequate municipal utilities and infrastructure as needed for implementation of development opportunities, but avoid speculative spending on infrastructure.
- a. Continue the long range planning and prioritization of capital improvements.

