

# The Importance of Government Facilities in Downtowns:

## *An Analysis of Business Establishments in Wisconsin's County Seats*



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# Introduction

Traditionally government offices have been built in the center of cities and towns all around the world. The necessity of government to be in an easily accessible place was obvious to early designers. It made sense to build a capitol, city government building, or county offices in a location that was easy to travel to, near homes of the employees working in the office, and near supporting and complementing business such as restaurants, pharmacies, and other establishments frequented by employees on a lunch break or after work. However, given the change in shopping habits, dependence on the automobile, increased dependence on computers and the internet, and the rising cost of land in the city center, some argue that there are fewer reasons to keep a government office downtown.

The Jefferson County Office Study was conducted in Summer 2005 by the UW – Extension Center for Community and Economic Development to determine if communities with a county seat have a greater mix of businesses in their downtowns than comparably-sized communities that are not county seats. The potential loss of downtown businesses resulting from the relocation of county offices has been raised as a potential issue by County, City of Jefferson, and civic leaders. The Jefferson Economic Development Consortium (JCEDC) is also seeking information on the impacts of government facilities in the downtown area and the JCEDC is sponsoring this study.

## Components of Study

1. *Review of Government in Downtown* – This study includes a brief assessment about the importance of a governmental presence in a community's downtown.
2. *Comparable Community and Business Mix Analysis* – This study features a comparison of the business mix between two types of comparably-sized communities, those with county offices downtown and those without. The objective of this analysis is to determine if communities with a county seat have a more diverse mix and greater number of businesses in their downtowns than those which are not county seats.

## Contributors

This analysis was an effort of UW-Extension. The research design, supervision, and reporting was conducted by Ryan Ziegelbauer with assistance from Bill Ryan, University of Wisconsin - Center for Community and Economic Development, University of Wisconsin Extension. The research was performed in collaboration with Steve Grabow of UW-Extension Jefferson County, and Dennis Heling, Executive Director of the Jefferson County Economic Development Consortium.

# **Review of Government in Downtown**

## **General Trends**

The decentralization of city functions has been a trend for over four decades. Many functions have been the sole domain of downtown, but the increasing use of the automobile on a more extensive road network has reduced the need for central locations of retailing, professional services, restaurant, entertainment, lodging and even government activities. However, the National Main Street Program has been monitoring downtown trends, and has documented a rebound in downtown areas since 1998. The American Planning Association has also conducted national studies which show an increase in downtown vitality among a strong majority of our nation's cities.

Among the successful strategies used by communities focusing on downtown revitalization are efforts to build on the assets of downtown being the traditional regional center for economic, government, cultural and community related activities. Many small or medium-size cities are working towards adding new functions or expanding existing functions to the conventional retail, service and government mix. Among the most effective ways to revitalize downtown is to maintain or further develop the civic and public places that are already downtown. In addition, communities are increasingly realizing that a distinctive downtown with multiple functions, a working public/private partnership, and a discernable sense of place will help assure competitive and livable communities for the future.

## **Public Buildings and Downtown**

Public buildings are important both socially and economically to the downtown. Municipal buildings, courthouses, libraries and post offices are essential components of healthy downtowns. The movement out of downtown by public facilities contributes to a decline in retail activity as local people invest their energy and spending elsewhere. These facilities draw many people on a typical day. For instance, a public library may draw 500-1,500 people a day and a town hall may bring in 200-500 people per day. These individuals are good prospects for spending money at downtown businesses. In addition, the government workers who come each day to a downtown public building will spend between \$2,500 and \$3,500 annually, according to Place Economics, a Washington, D.C.-based consulting firm.

## **Government Policies on Downtown Vitality**

Federal, state and local government leaders are beginning to recognize their important role in complementing efforts to revitalize downtown. Federal agencies are now required to consider downtown areas first when looking for new space. They are further strongly encouraged to locate there unless there are compelling reasons to the contrary. State agencies also attract and generate significant economic activity, and several states have established policies directing state agencies to locate downtown whenever possible. Relatively few local governments have enacted similar policies, but certainly local governments are beginning to better recognize the importance that local government contributes to the vitality of downtown. In many Jefferson County communities, these initiatives complement a variety of downtown revitalization efforts.

Recent actions by local government in Jefferson County have resulted in the reaffirmation of public buildings' importance to their downtown. A few examples are illustrated in several Jefferson County area municipalities:

- Watertown: Expanded its municipal building at its downtown location and has on-going efforts to enhance its downtown through its Main Street Program.
- Lake Mills: Relocated its new municipal building and community center downtown linked to the city green Commons. The City is currently organizing the implementation of a Main Street Program.
- Waterloo: Redeveloped and expanded its municipal building on site downtown.
- Fort Atkinson: Remodeled its downtown city hall and redeveloped its public safety department downtown.
- Johnson Creek: Combined its library and village hall downtown.
- Whitewater: Retained the downtown location for the municipal building across from the redeveloped waterfront park.
- Jefferson: Remodeled the municipal building downtown while some departments did relocate because of space constraints.

## **Summary of Benefits of Government Downtown**

Public facilities are essential components of a healthy, strong and vibrant downtown. Many communities have seen economic and social benefits when the post office, municipal building, public library or other important public buildings stay or are expanded downtown. Based on both governmental policies and actions at all levels, there appears renewed recognition about the importance that public buildings and their activities contribute to the vitality of the downtown and the overall quality of their communities.

### References

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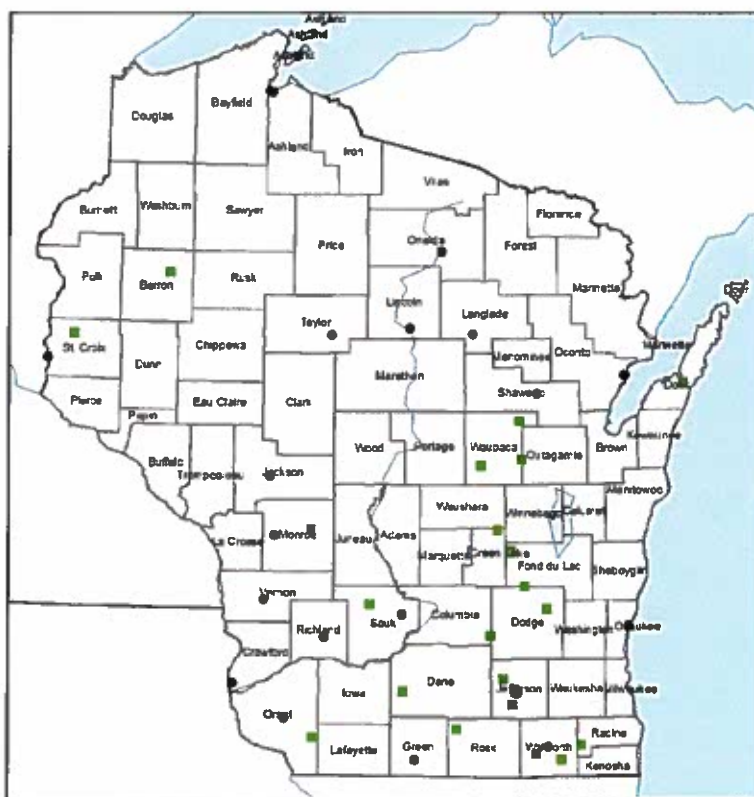
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# Comparable Community and Business Mix Analysis

This section compares the business mix of Jefferson, Wisconsin with a number of other comparable communities. For the purposes of this analysis, comparable communities are defined as those communities in Wisconsin with a municipal population of 3,500 to 12,000, a similar distance from a city with a population of 25,000 or greater and similar distance to a major discount department store (when possible). This comparison included twenty cities with county offices downtown and twenty cities with no county government offices downtown. The cities are presented on the following map and tables pages.

Jefferson Comparable Communities



- Jefferson
- County Seats with Government Offices Downtown
- Communities with Few or No County Offices Downtown



Source: ESRI September, 2005, Center for Community and Economic Development

\*Potential sources of Error - Because of the selection process, the data available, and the varying nature of the geography of each city, a limited number of data points may have been left out of the selection, or may have been improperly selected due to map or geocoding errors. Additionally, some of the business classifications may not reflect the actual type of business, but are what has been reported to the US Census Bureau by the business owner. Nevertheless, the resulting analysis is believed to be useful overall.

After the cities were selected a 1-mile diameter ring was drawn at the center of each downtown area, and all of the business that fell within the ring were selected. These are the businesses that make up the data used in this analysis.\* From this data, the mix and number of businesses were analyzed.

## Communities with County Offices Downtown

This table lists the selected county seat communities with county governmental offices downtown. The table contains population data for 20 and 40 mile diameter rings around each community, county population, per capita income, and median age.

Selected County Seats						
Name	Population 2000	Population in 10-mile radius	Population in 20-mile radius	County Population	PCI (\$)	Median Age
Antigo	8,560	15,545	31,075	20,740	16,592	38.9
Ashland	8,620	13,061	22,834	16,866	16,330	36.4
Baraboo	10,711	24,026	90,334	55,225	19,304	35.8
Black River Falls	3,618	9,320	24,166	40,899	21,532	41.9
Elkhorn	7,305	56,953	187,347	93,759	20,003	33.5
Hudson	8,775	100,205	682,437	63,155	26,921	33.3
Jefferson	7,338	39,276	167,930	74,021	19,124	36.2
Lancaster	4,070	10,288	46,118	49,597	17,797	39.9
Medford	4,350	13,377	34,002	19,680	19,962	39.3
Merrill	10,146	19,659	93,541	29,641	17,429	37.3
Monroe	10,843	19,492	62,286	33,647	21,657	38.9
Oconto	4,708	9,465	64,057	35,634	20,717	36.9
Port Washington	10,467	59,336	335,969	82,317	24,862	36.0
Prairie du Chien	6,018	13,371	32,043	17,243	17,680	38.1
Rhineland	7,735	17,708	37,946	36,776	16,047	38.9
Richland Center	5,114	10,800	37,639	17,924	15,520	39.9
Shawano	8,298	24,873	59,884	40,664	17,380	38.3
Sparta	8,648	18,114	62,571	40,899	18,238	36.6
Sturgeon Bay	9,437	17,331	28,895	27,961	18,899	40.3
Viroqua	4,335	13,544	38,053	28,056	17,172	43.6

Data Sources: 2000 US Census, ESRI, Info USA

## Communities with Few or No County Offices Downtown

This table lists the selected communities with few or no county governmental offices downtown. The table contains population data for 20, and 40 mile diameter rings around each community, county population, per capita income, and median age.

Selected Communities						
Name	Population 2000	Population in 10-mile radius	Population in 20-mile radius	County Population	PCI (\$)	Median Age
Berlin	5,305	19,076	97,644	19,105	17,667	38.3
Burlington	9,936	56,378	299,866	188,831	21,789	34.8
Clintonville	4,736	15,376	68,641	51,731	16,353	38.9
Columbus	4,479	19,754	154,580	52,468	21,435	37.5
Delavan	7,956	49,238	195,128	93,759	17,624	32.6
Evansville	4,039	24,759	244,159	152,307	20,766	34.1
Fort Atkinson	11,621	49,712	204,907	74,021	21,008	36.5
Lake Geneva	7,148	63,917	279,586	93,759	21,536	36.5
Lake Mills	4,843	39,943	200,702	74,021	21,929	36.0
Mayville	4,902	24,042	182,796	85,997	19,644	37.8
Mount Horeb	5,860	26,227	291,405	426,526	23,359	34.0
New London	7,085	25,819	183,862	51,731	18,153	35.3
New Richmond	6,310	23,433	146,219	63,155	19,840	34.5
Platteville	9,989	20,642	103,364	49,597	15,858	23.0
Reedsburg	7,827	17,289	64,237	55,225	18,828	34.9
Rice Lake	8,320	24,099	50,236	44,963	18,585	38.4
Ripon	6,828	22,423	152,324	97,296	20,313	39.7
Tomah	8,419	18,058	44,067	40,899	17,409	37.9
Waupaca*	5,676	20,753	65,621	51,731	18,890	36.5
Waupun	10,718	23,094	151,207	97,296	16,947	35.0

\* Waupaca is the county seat of Waupaca County, however, the county offices were recently moved to a location 12 blocks from downtown. The former county offices are now occupied by city government offices.

Data Sources: 2000 US Census

## Business Counts by Classification

This table lists the total business counts for all cities by business category, excluding government establishments. The disparities in certain business categories between county seats and non-seats can be seen, especially in the *Mining, Utilities and Construction, Retail Trade, and Professional, Scientific and Technical Services* categories. These disparities are looked at in further detail later in this section.

<b>Business Categories by Major NAICS Classification</b>		
<b>Description</b>	<b>County Seats</b>	<b>Non-Seats</b>
Agriculture, Forestry, Fishing and Hunting	13	10
Mining, Utilities and Construction	197	228
Manufacturing	139	136
Wholesale Trade	90	93
Retail Trade	825	764
Transportation and Warehousing	52	71
Information, Finance, Insurance and Real Estate	576	512
Professional, Scientific, and Technical Services	455	341
Mgmt. of Co. and Enterprises, Admin. and Support and Waste Mgmt. and Remediation Services	117	114
Education, Healthcare and Social Assistance	516	382
Arts, Entertainment, and Recreation	84	84
Accommodation and Food Services	332	339
All Other Services, Including Misc.	688	667
<b>Total Businesses Excluding Government</b>	<b>4,084</b>	<b>3,741</b>

Data Sources: 2000 US Census, ESRI, Info USA



## Business Counts by City

This table provides a comparison of business counts (excluding government establishments) and population by city. The total business counts show us that there are a greater number of businesses in the downtowns of county seats than in non-seat downtowns (8.4% more businesses).

Business Counts (Excluding Government Businesses)					
County Seats	Business Count	Pop 2000	Non-Seats	Business Count	Pop 2000
Monroe	302	10,843	Lake Geneva	322	7,148
Rhineland	299	7,735	Burlington	318	9,936
Baraboo	258	10,711	Delavan	262	7,956
Ashtland	251	8,620	Rice Lake	246	8,320
Hudson	245	8,775	Fort Atkinson	227	11,621
Shawano	245	8,298	Platteville	205	9,989
Elkhorn	237	7,305	Ripon	205	6,828
Sturgeon Bay	221	9,437	New Richmond	190	6,310
Viroqua	210	4,335	Waupaca*	188	5,676
Sparta	206	8,648	Reedsburg	176	7,827
Prairie du Chien	203	6,018	New London	168	7,085
Richland Center	195	5,114	Berlin	162	5,305
Merrill	175	10,146	Mount Horeb	161	5,860
Port Washington	170	10,467	Waupun	146	10,718
Antigo	162	8,560	Lake Mills	143	4,843
Jefferson	162	7,338	Clintonville	132	4,736
Lancaster	152	4,070	Tomah	132	8,419
Black River Falls	147	3,618	Evansville	123	4,039
Medford	135	4,350	Columbus	120	4,479
Oconto	109	4,708	Mayville	115	4,902
<b>Total</b>	<b>4,084</b>	<b>149,096</b>	<b>Total</b>	<b>3,741</b>	<b>141,997</b>

\* Waupaca is the county seat of Waupaca County, however, the county offices were recently moved to a location 12 blocks from downtown. The former county offices are now occupied by city government offices.

Data Sources: 2000 US Census, ESRI, Info USA

The following paragraphs analyze selected business categories that are often found in traditional downtown districts. The selected categories presented in the following tables show significant difference between cities with and without county seats. The tables do not include all business types within each major NAICS classification.

## Retail

For retail business, county seats had higher numbers of businesses than non-seats (825 vs. 764 respectively, which is 7.4% more). This was the case for destination businesses like appliance, TV and electronics stores, department stores and record stores. Visitor oriented businesses, such as gift shops, novelty stores and souvenir stores also had higher counts in county seats, as did pharmacies and drug stores.

Selected Retail Categories		
Description	County Seats	Non-Seat
Appliance, TV, and Other Electronics Stores	48	37
Pharmacies and Drug Stores	28	20
Prerecorded Tape, CD, and Record Stores	11	1
Department Stores	18	6
Gift, Novelty, and Souvenir Stores	75	66

Data Sources: 2000 US Census, ESRI, Info USA

## Professional, Scientific and Technical Services

Communities with county offices had a larger number of professional, scientific and technical service businesses than communities with few or no government offices (455 vs. 341 respectively, which is 25% more). As might be expected there are a larger number of law offices and legal services in county seats. This is likely due to the demand for lawyers and legal services associated with government offices and courthouses. Insurance agencies, brokerages, engineering services and advertising agencies all had more businesses in county seats than in non-seats.

Selected Professional, Scientific and Technical Services		
Description	County Seats	Non-Seat
Insurance Agencies and Brokerages	153	127
Offices of Lawyers and Other Legal Services	214	120
Engineering Services	18	7
Advertising Agencies	18	7

Data Sources: 2000 US Census, ESRI, Info USA

## Accommodation, Restaurants and Food and Drink Services

Though the county seats and communities with few or no county offices appear to have similar counts for this category (332 vs. 339 respectively), there are a few disparities. Communities with few or no county offices downtown had more restaurants (201) than county seats (170) (15.4% fewer restaurants in downtowns of county seats compared to non-county seats). This could be explained by trends for fast food restaurants and other automobile-dependent convenience stores to be located near the edge of smaller communities. However, county seats did have a larger number of traveler accommodations such as bed and breakfasts or resorts compared to non-county seats.

Selected Accommodations and Food Service Categories		
Description	County Seats	Non-Seats
Hotels and Motels	18	17
Other Traveler Accommodation	32	15
Restaurants	170	201
Drinking Places (Alcoholic Beverages)	106	102

Data Sources: 2000 US Census, ESRI, Info USA

## Education, Healthcare and Social Assistance

Downtown communities that are county seats have a much larger count for this category than those communities that have few or no county offices downtown (516 vs. 316 respectively, which is 26% more). The disparities in the categories in the following table are likely due to an affiliation with county government. Some of these business may be county offices but are not classified as such.

Selected Education, Healthcare and Social Assistance Categories		
Description	County Seat	Non-seat
Offices of Physicians	34	13
Other Outpatient Care Centers	21	7
Nursing Care Facilities	12	7
Community Care Facilities for the Elderly	16	6
Child and Youth Services	18	7
Other Individual and Family Services	63	30

Data Sources: 2000 US Census, ESRI, Info USA

# Conclusions

Through the analysis of the comparable communities below the following conclusions can be made:

- County seats had 8.4% more businesses downtown compared with communities with few or no county offices downtown.
- County seats had 7.4% more retail businesses downtown compared with communities with few or no county offices downtown.
- County seats had 25% more professional, technical and scientific business in their downtowns than communities with few or no county offices downtown. Most significant here is a greater number of law offices and legal services.
- There are 15.4% fewer restaurants in the downtowns of county seats than non-seats; however, there are 53% more traveler accommodations in county seats than communities with few or no county offices.
- Communities that are county seats have 26% more education, healthcare and social assistance related businesses than non-seats.

After gathering business data from the downtowns of selected communities in Wisconsin, it can be determined from this data set that communities which are county seats with government offices downtown tend to have a greater mix of businesses than those communities that were not county seats, or did not have county offices downtown.

The health of any downtown depends on a critical mass of establishments bringing people into the city center for work, entertainment, business, relaxation, recreation, and tourism. If there are more businesses, organizations and events found downtown, there will be more people, activity and more dollars spent there.

Experience shows that success is strongly correlated with the downtown's ability to project a strong "sense of place" or to provide "people-friendly places" which are unique, authentic, have a variety of services (including governmental services), and are well-used and active. This study confirms that downtowns with county seat functions have significantly more business activity than downtowns without a county seat. This further reaffirms the validity of the downtown strategy to retain major governmental activities in downtown areas.