

- Over the next five years, the area is projected to continue healthy population growth. By 2017, the City of Sheridan’s population will increase by another 3%.

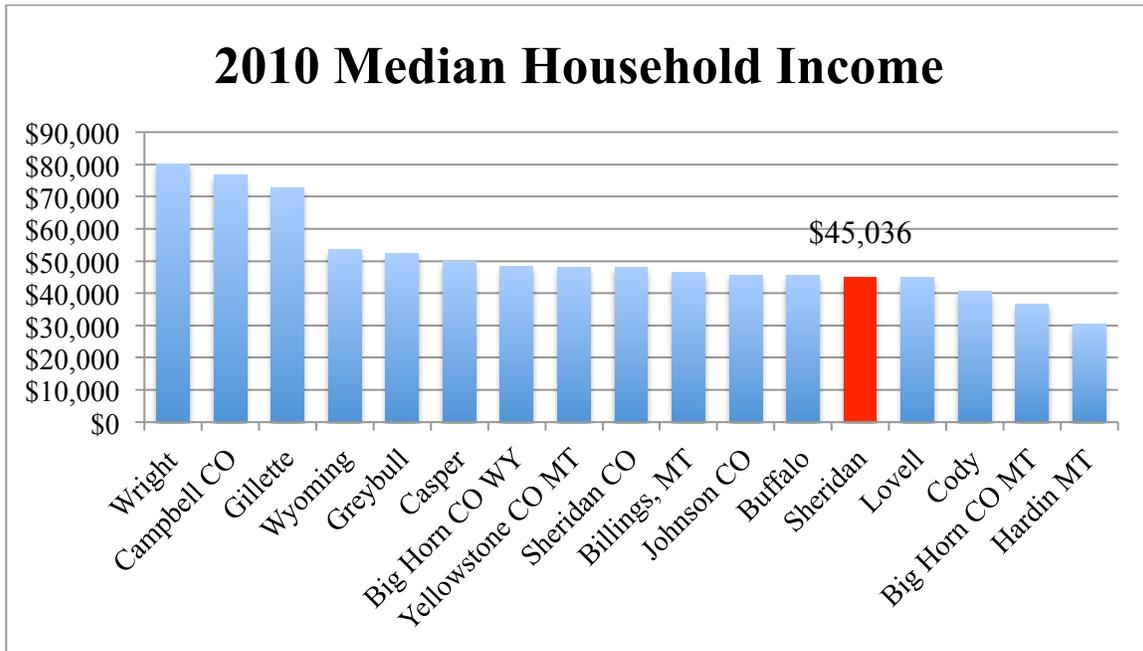


Figure 20: Median Household Income 2010. Source: Claritas, Inc.

- 2010 median household income in Sheridan was \$45,036 and lies within the lower range of regional income levels. Wright and Campbell County have the highest incomes.

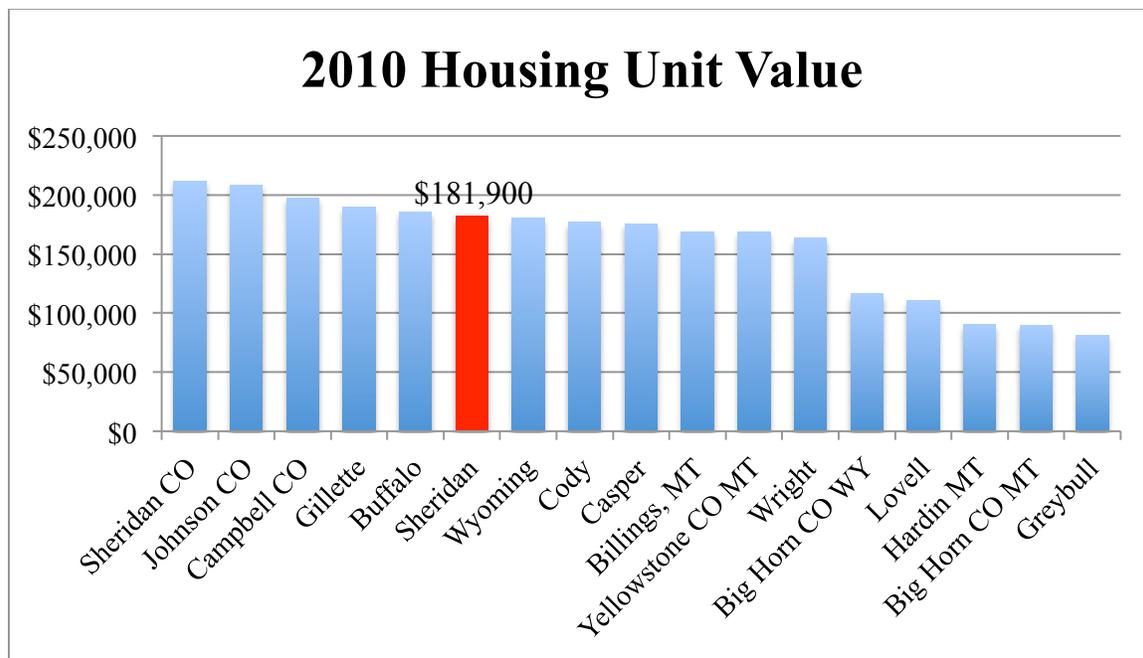


Figure 21: 2010 Median Home Value. Source: Claritas, Inc.

- Sheridan’s median occupied housing value in the upper half of the region at \$181,900.

4.2 Market Segmentation

A market segmentation report for Sheridan's primary trade area will give a better idea of the make up and spending habits of the residents living in the local market. This analysis breaks down the counts and percentages of social group cluster and will help identify customers based on their demographic groupings including age, gender, income, education, occupation, and ethnic group. By recognizing the different segments of the market and analyzing their various needs and requirements, a retailer can more effectively focus its marketing dollars or building its inventory around the targeted market.

For this analysis, all data comes from PRIZM NE cluster groups as calculated by Claritas, Inc. The PRIZM cluster groups are centered on four groups of urbanization: Urban, Second Cities, Suburbs, and Town and Rural. For Sheridan's **primary trade area**, there are approximately 10,948 households, 100% of which fall into the "Town and Rural" category. The **Town and Rural** urbanization is then broken down into social group categories as shown in the chart below.

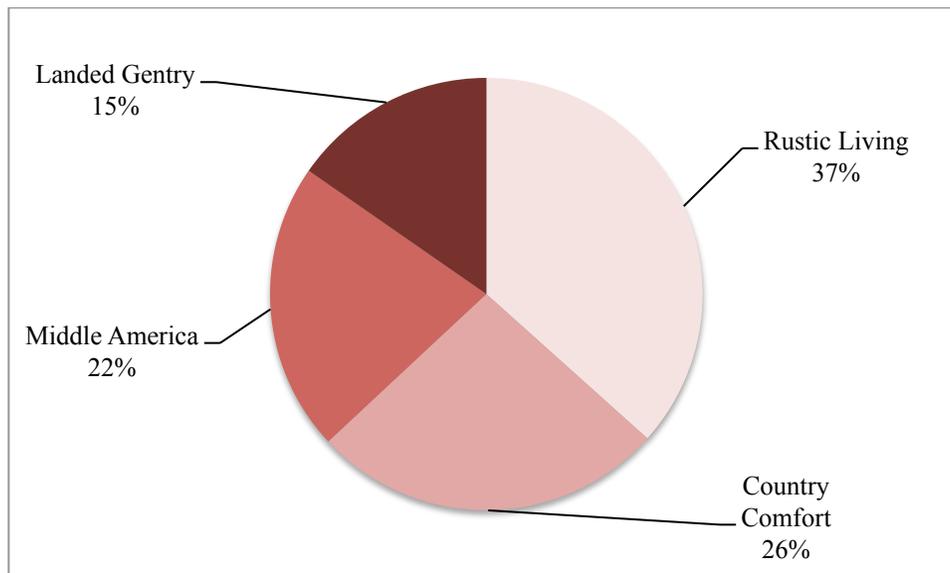


Figure 22: Urbanization & Social Group Categories. Source: Claritas, Inc.

The four Town and Rural categories are:

- **Rustic Living** (37% of Sheridan's market) – modest income families in rural communities, blue-collar jobs and lower education, mix of white and black, married and unmarried.
- **Country Comfort** (26%) – middle class families and married couples, college educated with mid-level incomes.
- **Middle America** (22%) – middle class families, predominantly white, married couples to large families, conservative values and conservative lifestyles.
- **Landed Gentry** (15%) – wealthy households living in smaller towns, college educated with professional jobs and higher incomes, many commute or telecommute.

PTA Life Stage Groups:

The primary trade area is then grouped by life stage categories. Claritas PRIZM Life Stage categories are based on affluence, the age of the households, as well as the family type, or presence of children. There are three classes of life stage including “Younger Years,” “Family Life,” and “Mature Years.”

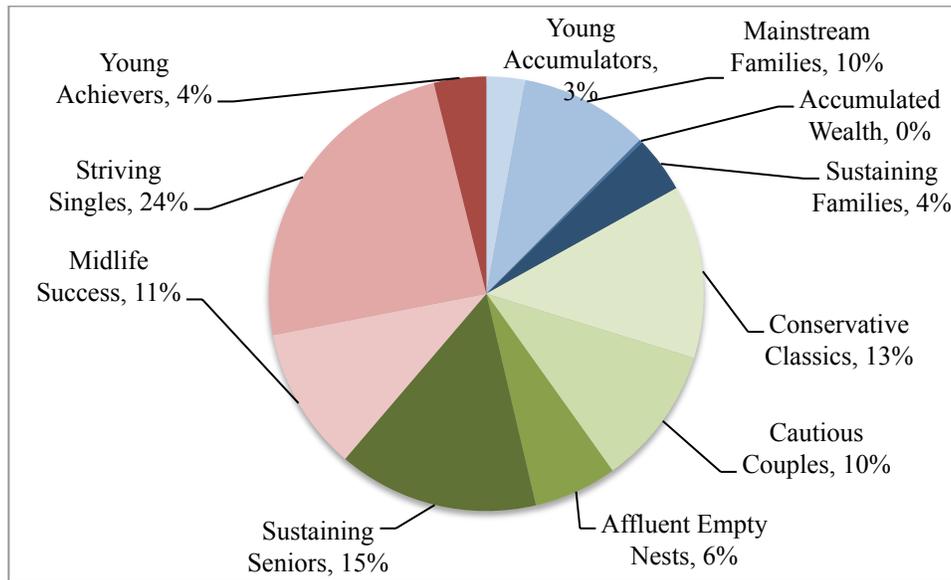


Figure 23: Life Stage Categories. Source: Claritas, Inc.

The chart shows “Family Life” in blue, “Mature Years” in green, and “Younger Years” in red. Sheridan’s primary trade area’s life stage categories breakdown as follows:

- Family Life (Blue) - 17%
- Younger Years (Red) - 39%
- Mature Years (Green) - 44%

The largest subcategories include:

Striving Singles, are part of the “Younger Years” life stage, and make up **24%** of Sheridan’s combined trade area. These single households are typically younger with lower incomes and blue collar or service jobs. They live in apartments & mobile homes and often rent. They enjoy outdoor sports, movies, music, and fast food and their median household income is around \$19,000. Source: Claritas, Inc.

Conservative Classics are upper-middle class couples without children. They live in older homes and typically have two or more cars. They enjoy gardening, reading, and public television. They frequent local museums and cultural venues, and casual dining. They make up **13%** of households in the primary trade areas and their median household income is \$58,392. Source: Claritas, Inc.

PTA Market Segments:

Finally, each of these social and life stage groups can be broken down into detailed subcategories as identified in the chart below. The chart represents a breakdown of **all** the segments in the overall market base in Sheridan's primary trade area.

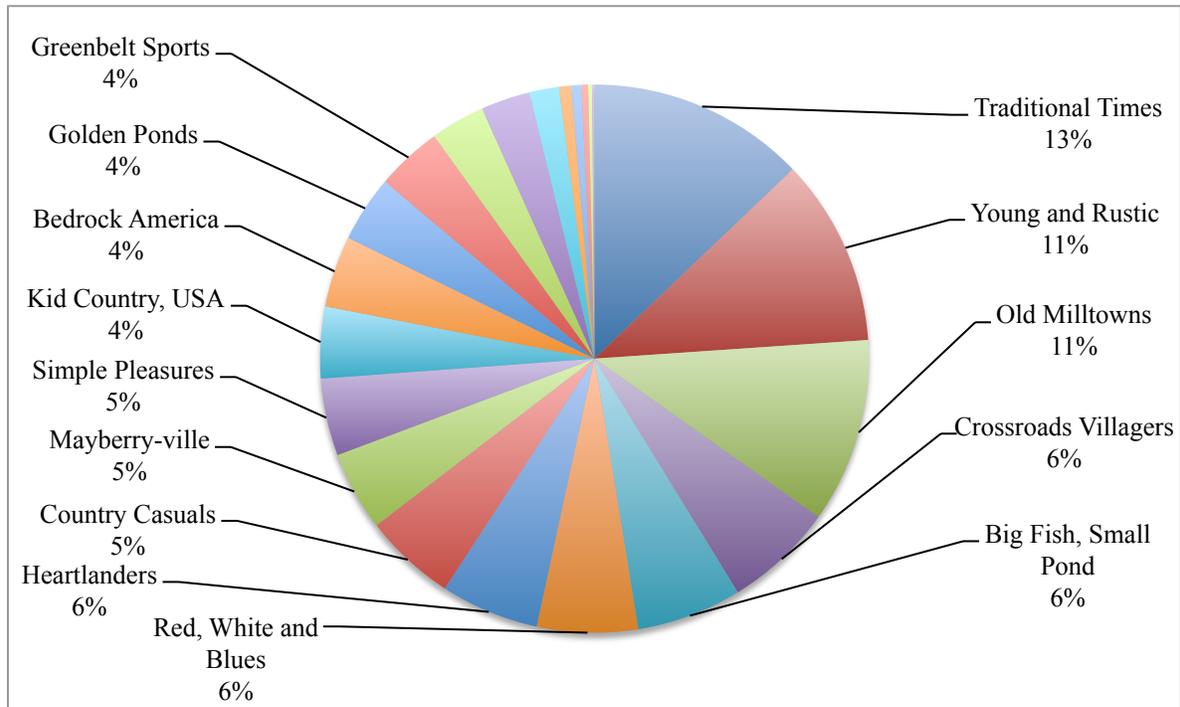


Figure 24: Segmentation Subcategories. Source: Claritas, Inc.

The top four subcategories include:

Traditional Times are upper middle-class families without children. They are in their fifties and sixties, read *Forbes* magazine, and travel frequently in recreational vehicles. These conservative families enjoy golf on TV and drive Buick LaCrosses. Their median household income is \$55,498, and the group represents **13%** of households in Sheridan's market.

Young & Rustic, is made up of middle-aged singles with lower-middle incomes. They often live in apartment units, and have service industry jobs with modest pay. They are restless with a fast paced lifestyle centered on sports, cars, and dating. Their median household income is \$32,607 and they make up **11%** of Sheridan's overall market.

Old Milltown families are older without children. They live in older communities, are generally retired singles and couples, and live in homes built prior to 1960. They enjoy gardening, veterans clubs and casual restaurants. They make \$30,680 per year on average, and represent **11%** of Sheridan's primary market.

Big Fish, Small Pond families make up 6% of Sheridan's primary market. These are older, upper class families and are often the leading citizens of their small towns. They are affluent empty-nesters and enjoy country clubs, drive cars such as a Lexus LS430, have large investment portfolios, and spend freely on technology. Their median household income is \$83,872.

This analysis identifies the lifestyle and social characteristics of the full spectrum of residents in Sheridan's primary trade area. Individual retailers in Sheridan each have their own niches and intended markets, and most likely will not accommodate the comprehensive market. However, understanding the true makeup of the market will help the merchants make marketing decisions including targeting specific segments, expanding product lines, and determining how to maximize their advertising expenditures.

The demographic characteristics of each segment are detailed on the following page.

PRIZM NE - Primary Trade Area									
Name	Households	Pct.	Pred. Inc.	Age	Pred HH Comp.	Pred. Tenure/Type	Pred. Education	Pred. Employment	Pred. Race
Traditional Times	1408	12.86%	Midscale	Age 55+	Married Couples	Owner / SFDU	Some College	WC, BC, Farm	White
Young and Rustic	1210	11.05%	LowerMid	Age 65+	Singles/Couples	Owner / SFDU, Mobile	H S Graduate	WC, Service, BC	White, Black, Hispanic
Old Milltowns	1191	10.88%	Downscale	Age 65+	Singles/Couples	Mix / SFDU, Mobile	Elem School, H S	WC, Service, BC	White, Black
Crossroads Villagers	707	6.46%	Downscale	Age <45	Married Couples	Owner / SFDU, Mobile	Elem School, H S	WC, Service, BC, Farm	White
Big Fish, Small Pond	678	6.19%	Upscale	Age 45+	Married Couples	Owner / SFDU	College Grad +	Exec, Prof, WC	White
Red, White and Blues	650	5.94%	LowerMid	Age 25-44	Married Couples	Owner / SFDU, Mobile	H S Graduate	WC, Service, BC	White
Heartlanders	635	5.80%	LowerMid	Age 45+	Married Couples	Owner / SFDU, Mobile	H S Graduate	WC, BC, Farm	White
Country Casuals	594	5.43%	UpperMid	Age 35-64	Married Couples	Owner / SFDU	Some College	WC, BC	White
Mayberry-ville	512	4.68%	Midscale	Age 35-64	Married Couples	Owner / SFDU, Mobile	H S Graduate	WC, BC, Farm	White
Simple Pleasures	499	4.56%	LowerMid	Age 65+	Singles/Couples	Owner / SFDU, Mobile	H S Graduate	WC, Service, BC, Farm	White
Kid Country, USA	462	4.22%	LowerMid	Age <45	Families w/Kids	Mix / SFDU, Mobile	Some College	WC, Service, BC, Farm	White, Hispanic
Bedrock America	461	4.21%	Downscale	Age <35	Families w/Kids	Mix / SFDU, Mobile	Elem School, H S	Service, BC, Farm	White, Black, Hispanic
Golden Ponds	428	3.91%	Downscale	Age 65+	Singles/Couples	Owner / SFDU, Mobile	H S Graduate	WC, Service, BC, Farm	White
Greenbelt Sports	426	3.89%	Midscale	Age 25-54	Married Couples	Owner / SFDU	College	Prof, WC	White
New Homesteaders	352	3.22%	Midscale	Age 25-44	Families w/Kids	Owner / SFDU, Mobile	Some College	WC, BC	White
Fast-Track Families	316	2.89%	Upscale	Age 25-54	Families w/Kids	Owner / SFDU	College	WC	White
Big Sky Families	193	1.76%	Midscale	Age 25-54	Families w/Kids	Owner / SFDU, Mobile	Some College	WC, BC, Farm	White
Blue Highways	78	0.71%	Downscale	Age 65+	Mostly Singles	Renter / SFDU, Hi-Rise Multi	H S Graduate	WC, Service, BC	White, Black
God's Country	65	0.59%	Upscale	Age 35-64	Married Couples	Owner / SFDU	College Grad +	Exec, Prof, WC	White
Shotguns and Pickups	43	0.39%	LowerMid	Age 25-44	Families w/Kids	Owner / SFDU, Mobile	H S Graduate	WC, BC, Farm	White
Country Squires	26	0.24%	Wealthy	Age 35-64	Families w/Kids	Owner / SFDU	College Grad +	Exec, Prof, WC	White
Back Country Folks	14	0.13%	Downscale	Age 55+	Married Couples	Owner / SFDU, Mobile	Elem School, H S	Service, BC, Farm	White, Black

Class	Median HH Income
Upscale	>70k
UpperMid	60-70k
Midscale	45-60k
LowerMid	32-45k
Downscale	25-32k

Term	Employment
WC	Office white collar
BC	Blue Collar
Service	Service Industry
Farm	Farm
Prof	Professional white collar

Figure 25: Segmentation Subcategory Descriptions for Sheridan's Primary Trade Area. Source: Claritas, Inc.

5.0 Business Development Themes

This Downtown Sheridan Business Plan focuses on creating a foundation of market research and data from which the DSA and its partners can formulate a business development framework. The strategic areas identified below are intended to enhance the business environment in Sheridan, and will form the framework of an economic development strategy for downtown. This framework will build off of the public input as well as the comprehensive market analysis that identified retail and business opportunity in downtown Sheridan and its trade areas. The four strategic areas include:

1. **Business Development** – These tasks would include ongoing economic development including business recruitment, business support, and entrepreneurial development. This would include creating activity in downtown Sheridan by strengthening its retail base while continuing to develop downtown as a cultural and visitor destination.
2. **Economic Development Market Positioning** – The market research details both the extent of downtown Sheridan’s market, as well as opportunities for business growth. In order for downtown Sheridan to sustain and grow its customer base from the region, it must strategically market to those consumers, while targeting needed businesses. A consistent message is needed to market to Sheridan’s citizens, downtown’s local trade areas, and the six-county regional trade area.
3. **Projects** – These are the specific projects identified by stakeholders and the public that would likely require funding. They would include strategies related to parking management and development, beautification and urban design, as well as physical improvements.
4. **Organizational Capacity** – Providing more focused economic development activities in downtown Sheridan will likely require an enhanced organizational structure between the DSA and its partners. There are a number of organizations that play a role in economic development and business support in downtown Sheridan.

Specific tasks for these business development themes will be presented in chapter 7 of this report. These tasks make up the Downtown Work Plan for Sheridan.

6.0 Downtown Development Authority Feasibility

The Downtown Sheridan Business Plan also seeks to determine the feasibility of a Downtown Development Authority (DDA) for Sheridan. This section will first review state statutes enabling communities to establish DDAs, followed by case studies of how DDAs are currently being utilized in other Wyoming communities. Finally, a model for a potential DDA in Sheridan will be outlined.

6.1 State Statutes

DDAs are authorized in Wyoming State Statutes in Title 15, Chapter 9, Article 2. In general, DDAs provide an alternative management program for downtowns that allows more focused economic development initiatives as well as funding streams for physical improvements and operations. Specifically, a DDA could perform such economic development activities as creating and implementing development plans, acquiring/disposing of property, or providing business incentive programs. It could also manage and help fund physical projects such as developing new parking resources, or enhancing the streetscape.

Key provisions of statutes regarding the responsibilities, structure, and establishment of DDAs include:

- **Establishment** – In order to create a DDA, a petition must first be made by 25% or more of persons owning nonresidential property within a potential district. Upon receiving the petition to establish the district, City Council would hold a public hearing to receive public comment and determine if a DDA is right for the community. Council could then adopt an ordinance establishing the DDA. (WY 15-9-204)
- **Duties and Responsibilities** – A DDA allows a community to perform a number of specific tasks, including:
 - Creating plans for development
 - Pursuing capital projects
 - Acquiring & disposing of property
 - Creating public/private partnerships for development
 - Providing funding streams for development projects
- **Board** – A Downtown Development Authority is in effect a private corporation, independent of the governing body of a community. An DDA board would be appointed by City Council, consist of 5 to 11 members, and include one member from City Council. A majority of the members must represent property within the district. (WY 15-9-205)

- **Funding** – There are two distinct funding mechanisms associated with DDAs, one that can fund operations, and the other for capital projects. DDAs can pursue one, both, or neither of these mechanisms. In fact, as the next section will detail, existing Wyoming DDA's utilize these methods in a number of ways, or not at all.
 - Tax Increment Financing (TIF) is an innovative tool that can fund capital projects such as parking improvements, stream restoration, streetscape enhancements, or other physical projects in the public realm. TIF allows increases in the overall tax base due to new development or growth in within the district to be used to fund projects within the district. TIF is NOT a new tax.
 - Special Assessments are an additional mill levy or tax that can be assessed on non-residential properties within a designated district. The resources provided by a special assessment would primarily be used to fund the operations of a DDA. Statutes allow between 5 and 30 mills to be assessed on property.
 - Additional funding considerations:
 - Establishing a DDA does NOT create an assessment or TIF.
 - Both mechanisms cannot be established without an additional public process, including a special election of the community's voters.
 - In the case of a special assessment, it has to be voted on by the public again every four years.

6.2 Existing DDAs in Wyoming

There are four Downtown Development Authorities that currently exist in the State of Wyoming. Each DDA is very distinct in its structure, funding mechanisms, and the projects that it completes.

- **Cheyenne** – The Cheyenne Downtown Development Authority was created in 1985 with an 11-member board appointed by City Council.
 - The operations of the DDA are funded through City resources and fund raising. Capital projects are funded through a sales tax based TIF district that generates approximately \$500,000 per year to fund physical improvements. Cheyenne does not have a special assessment.
 - The Cheyenne DDA conducts both physical improvements and enhanced programming including beautification, economic development, marketing, and design. Specific projects range from providing design assistance to property owners, to removing snow from sidewalks. Cheyenne has also constructed and managed a parking garage in downtown through the DDA's TIF.
 - A program of interest in Cheyenne is the “Clean & Safe” program funded by the City and the DDA. In 2010, the DDA budgeted \$135,000 for the program, which employs a full-time crew to pick up trash, maintain downtown parking, and remove snow from sidewalks, among other things.

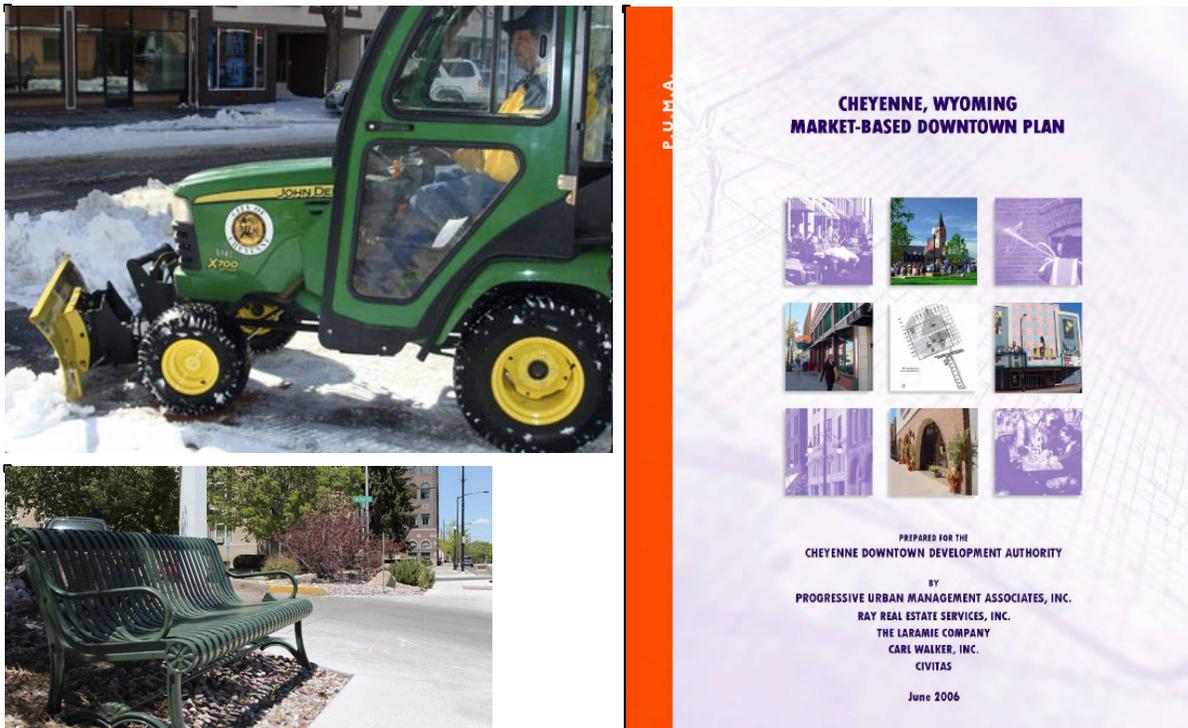


Figure 26: Cheyenne DDA Projects. Photo source: www.downtowncheyenne.com

- **Laramie** – Laramie’s downtown management structure is unique when compared to other Wyoming agencies. It merges the structures of both a Main Street-type downtown revitalization organization with the economic development capabilities of a DDA.
 - The overall programming of downtown activities, business support, and promotions falls within the work plan of the Laramie Main Street organization. As a Main Street Agency, the organization has four committees that focus on Economic Restructuring, Design, Promotions, and Organization. Laramie’s DDA serves as the Economic Restructuring committee for the Main Street Group.
 - This essentially creates two separate boards. Laramie Main Street is the working arm of downtown revitalization, while the DDA serves as the economic restructuring arm. Laramie Main Street in turn contracts with the DDA board to provide these functions. In doing so, it allows the Main Street group to remain autonomous serving the business and property owners within downtown, while the DDA board appointed by Council provides the higher level economic development functions permitted by DDA statutes.
 - Laramie’s DDA and Main Street program are both currently funded entirely by City appropriations, fundraising and grants. Laramie does not have a special assessment nor any type of TIF district.
 - Jointly, Laramie’s DDA and Main Street programs generally focus on planning and programming. They have recently completed a downtown master plan, and work to market and promote the businesses in downtown. The DDA specifically has completed a comprehensive market analysis, Development Feasibility Report, and facilitates workshops and training for independent business owners.



Figure 27: Laramie Downtown Master Plan. 3-D modeling and photo-rendering showing new development.

- **Rawlins** – Rawlins created its DDA in 1991. The DDA in downtown Rawlins was designated as a Wyoming Main Street in 2006. The DDA/Main Street program has one board and four committees.
 - Rawlins employs neither a special tax assessment for operations nor a TIF for capital projects. The organization and its functions are capitalized through City appropriations, fund raising, and grants.
 - The DDA/Main Street program focuses entirely on programming and planning. This includes a recently completed downtown master plan, as well as a project to update downtown’s design guidelines. The agency provides a wealth of marketing information for promoting businesses, shopping, dining, and downtown parking. This includes a recently completed project to create a community brand identity and marketing strategy to promote downtown more effectively.
 - One of Rawlins more interesting projects is the Rainbow Te-Ton Entrepreneur Center that the DDA/Main Street owns and operates. The DDA and City contributed approximately \$165,000 for the facility, receiving a Community Readiness Grant for \$1.5 million for development of the center. The facility is used to provide ongoing business support activities and classes for independent businesses in downtown.

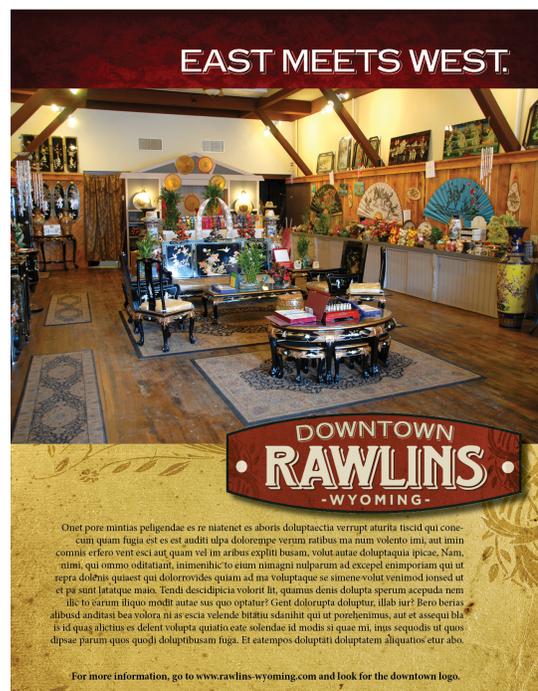
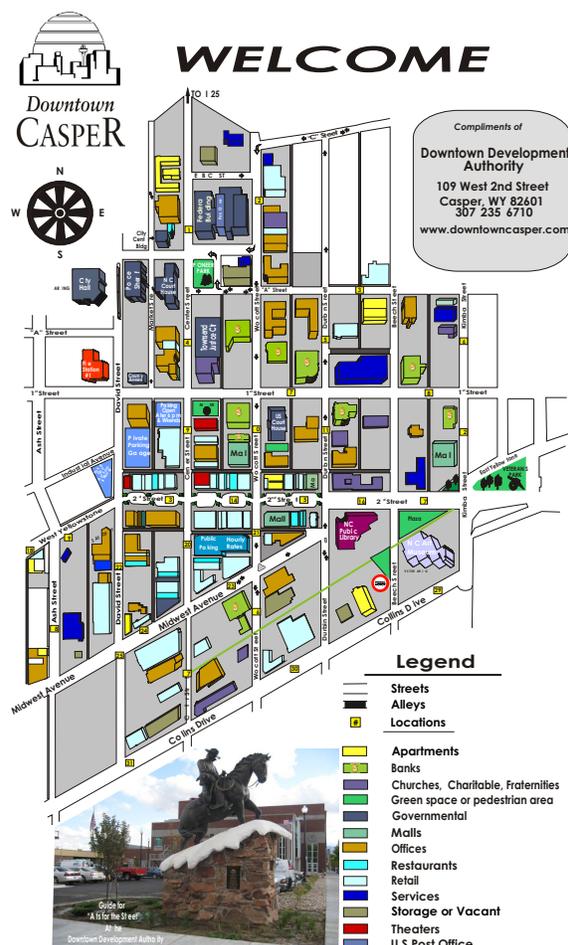


Figure 28: Community Branding and Marketing collateral for Rawlins DDA/Main Street.

- **Casper** – Casper’s DDA was also established in 1985. The authority absorbed the existing Main Street downtown organization creating a single board. It did however continue to follow the four-point Main Street model through its committees. The board has 7 appointed members.
 - Casper is the only DDA in Wyoming that currently uses a special assessment in downtown, applying a 16-mil tax to non-residential property. The assessment is used to fund operations of DDA. Casper is considering pursuing the establishment of a TIF district similar to Cheyenne.
 - With its current funding coming through a special assessment and other appropriations, Casper’s projects are focused on planning and operations, as opposed to capital projects. They have recently conducted a strategic plan for downtown, produce various marketing and promotional activities, offer façade grants for property owners, and provide assistance for sidewalk improvements.
 - Key projects include marketing downtown property for lease and sale through a partnership with area realtors.
 - If a TIF district were established in Casper, the DDA would pursue capital projects such as downtown restrooms, conference center, and plaza improvements.

Figure 29: Casper DDA Business Inventory. [□]
 Directory map and image from
www.downtowncasper.com



6.3 Observations for Sheridan

Each of the four DDAs that currently exist in Wyoming is quite different as shown above. A potential DDA in Sheridan could follow any of those, or have a completely different model based on the flexibility of Wyoming statutes. The case studies above do lead to a number of conclusions that are relevant to Sheridan.

- The Downtown Sheridan Association has a strong track record in Sheridan specifically related to planning, beautification, promotion, and event activity. However, the current management model limits Sheridan in what it can do specifically related to economic development.
- Similarly, Downtown Sheridan, its board, staff, and volunteer base has developed a successful work plan, have a number of successful revitalization projects under their belts, and have developed credibility and strong partnerships with both the private and public sectors.
- A DDA in Sheridan would provide opportunity to do more focused economic development including capital projects, parking creation and management, and create development projects.
- Establishing a DDA in Sheridan would require the support of both private sector property owners, as well as the municipal governing body. If a DDA is pursued in Sheridan, statutes require it to follow a public process, with a continued high level of community engagement.
- A DDA creates the ability to implement specific economic development activities, but most importantly provides alternative funding streams in the form of tax increment financing and special assessments.
- A TIF program is NOT an additional tax. TIF is used primarily for capital projects.
- A special assessment IS an additional tax on property within a district. Assessments are used primarily to fund ongoing operations and programming.
- Creating a DDA does not create either of those two funding mechanisms. It does allow the community to perform the economic development activities outlined above. If Sheridan were to create a DDA and pursue either of the two funding mechanism, there is an additional public process that would have to be followed.
- In both cases, TIF or special assessment, there would have to be a special election conducted of Sheridan voters to approve the mechanism.
- Of the four established DDAs in Wyoming:
 - Only 1 (Casper) has the additional special tax assessment.
 - Only 1 (Cheyenne) currently has a TIF, which funds projects through the increase in sales tax collect due to increased business in downtown.
 - The other 2 (Rawlins and Laramie) do not have either of the two funding mechanisms.
- It is important to note that in all four cases, the DDAs continue to rely on municipal appropriations and other funding for their operations. The creation of a DDA does not eliminate the need for City financial support. This is particularly the case for Cheyenne, Laramie, and Rawlins, where the special assessment stream is not utilized.

In conclusion, a Downtown Development Authority in Sheridan would be beneficial in that it would allow the DSA to perform more complex development projects. It must have the support of local property owners before being established by Council. Similarly, any new funding mechanism would require support of property owners and area voters through a separate public process.

7.0 Potential Sheridan Downtown Development Authority

The 2010 Downtown Sheridan Economic Development Strategy was very thorough in its analysis and recommendations, particularly as it related to Downtown Development Authorities. Like this study, the 2010 plan detailed the provisions of Wyoming State Statutes related to DDAs, including case studies on the existing programs in the state. That plan went further to outline how each provision (structure, assessment, TIF funding, etc.) would be relevant to Sheridan. The study concluded with a recommendation that Sheridan pursue a Downtown Development Authority.

This plan is the implementation of that recommendation, and more specifically, is an effort to specify the structure of a DDA in Sheridan, the projects it would pursue, and the funding it would use.

7.1 Sheridan DDA Stakeholder Input

This process began with engagement of stakeholders and citizens to learn their thoughts on economic development opportunities in Sheridan as well as their concerns about a potential DDA. Stakeholder observations were presented generally in chapter two of this report, while the DDA specific considerations are summarized below:

- Most people were generally supportive of the idea of a DDA. However, with so many variables related to structure, projects, and funding, they were eager to know what a Sheridan DDA would be before they could determine their opinion.
- Property and business owners were very concerned about creating an additional tax burden in downtown.
- Some felt that a DDA had the potential to result in a more centralized authority with less involvement and engagement from downtown property owners, businesses and citizens. These comment related to the fact that a smaller board would be appointed by City Council to manage the development of downtown. This small group may then be able to push agendas and projects through, it was thought.
- Similarly, all interviewees agreed that a DDA could not be a competing organization in terms of mission, funding, and membership. Sheridan has a number of organizations that perform great work in the community, however the public can be somewhat confused between the different agencies and their responsibilities. At the end of the day, a DDA in Sheridan cannot add to this confusion, nor take away resources from other organizations.
- It was felt that a special assessment or tax levy would not be acceptable in Sheridan, but that TIF district would be more appropriate to fund projects for downtown.
- There was discussion about whether a property tax or sales tax based TIF would be more beneficial to Sheridan.
- There was a question of whether or not the entire North Main corridor should be included in a DDA district, or if there were alternatives for that area.
- It was noted that regardless of the existing DSA or a future DSA & DDA, each entity could be affected by budget cuts at the City level.