



# ***Downtown Sheridan Business Plan***

***For  
Downtown Sheridan Association***

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## 1.0 Background

Sheridan is located along Interstate 90 in north-central Wyoming just south of its border with Montana. As the seat of Sheridan County, the community is the center of a large rural region. Sheridan has seen steady population growth over the past twenty years, and the community has enjoyed continued commercial development, despite the nationwide economic slump.

Downtown Sheridan has remained the civic, cultural and economic center of the area, as Downtown Sheridan Association and its partners have focused on the continued planning and revitalization of the community's core. The most recent of which was the Downtown Economic Development Strategy (DEDS) completed in 2010. That plan set out to assess the long-term sustainability of historic downtown Sheridan, including developing recommendations for parking and traffic improvements, building restoration, and urban design. The plan included high-level market research, and strategies for business development.

This plan is a continuation of that effort, following through on specific recommendations of the DEDS, including conducting a comprehensive market analysis and business development strategy for downtown Sheridan.

### 1.1 Previous Relevant Projects

- *2010 Downtown Economic Development Strategy (DEDS)* – Mentioned above, the DEDS sought to identify needs and opportunities for the continued economic growth of downtown, including recommendations for a stronger downtown management model, specifically a Downtown Development Authority.
- *2009 Sheridan Joint Area Land Use Plan* – A joint effort between the City of Sheridan and Sheridan County to establish long-range planning and development policies. The plan advocates a denser, mixed-use development pattern for downtown Sheridan as well as complete streets for the urban core and newer development.
- *2009 North Main Area Master Plan* – This plan identified a framework for the revitalization of the North Main corridor including land use, open space, and urban design.
- *2007 Economic Development Strategic Plan for Sheridan County* – This plan was conducted by Forward Sheridan to identify and address challenges to economic development in Sheridan County, including strategies for business recruitment, expansion, and support. The plan recognizes the strength of downtown both to the quality of life of Sheridan residents, but also to recruitment and economic development for the entire county.
- *2007 Target Opportunities for Sheridan County* – Also completed by Forward Sheridan, this plan assessed opportunities for Economic Development in Sheridan County, and suggested six targeted industries based on its economic profile, many of which can be accommodated in Sheridan's Downtown.
- *2004 Rural Resource Team Report for Sheridan* - Completed by the Wyoming Rural Development council, this plan noted a need for downtown housing and entrepreneurial support.
- *1993 Working Paper for Downtown Development Authority* – This document was created for the City of Sheridan to outline the potential for, statutory requirements, and procedure for establishing a potential DDA in Sheridan.

## 1.2 Downtown Sheridan Business Plan

This particular plan seeks to address some of the key recommendations of the 2010 DEDS. Specifically, it will provide comprehensive market research and business development strategies, as well as determining the feasibility of an alternate management structure for downtown.

### *Downtown Assessment*

It is critical that this plan build upon previous revitalization activities as well as the current efforts of those agencies promoting economic development in downtown Sheridan. This process began by reviewing previous plans and their recommendations, followed by a stakeholder interview process that engaged key agencies, elective officials, business and property owners. This assessment was conducted to establish emerging themes and ideas related to the efforts of Downtown Sheridan Association, specific downtown needs, and overall organizational capacity.

### *Market Analysis & Business Development*

Understanding Sheridan's unique market opportunities and promoting its assets is key to downtown Sheridan realizing its economic potential. The report includes:

- A **market definition** exercise that defines the local market geography based on true consumer trading patterns, determines the depth of the local and visitor market, and establishes a primary and secondary trade area.
- A **market assessment** that uses the local trade areas to examine the existing retail business mix as well as opportunities for new or expanded business types. The assessment includes a retail leakage and gap analysis, a retail shares study, and space demand projections for individual retail types.
- A **demographic and market segmentation study** that analyzes the makeup of Sheridan's local trade areas and region, determining consumer needs, target markets, and the potential for new products.
- **Business development recommendations** that detail strategic tasks necessary to grow downtown Sheridan's economic base based on market research.

***Downtown Development Authority Feasibility***

Finally, the Downtown Sheridan Business Plan seeks to determine the feasibility of a management structure that would allow there to be a more focused economic development effort in downtown. It addresses the potential for a Downtown Development Authority, and if one were to be established in Sheridan, what would that model be. This includes:

- Potential **boundary** of a downtown development authority and whether it would follow the current district managed by DSA.
- The **organizational structure** of a potential DDA and how it would coordinate efforts with the existing DSA related to board makeup, responsibilities, funding, etc.
- Potential **projects** that could be conducted by a DDA in conjunction with the DSA and its partners.

In general, the plan seeks to establish if a DDA is right for Sheridan, and if so, what would its framework be.

## 2.0 Stakeholder Input

Input was gathered from stakeholders throughout the course of the process. This began with a three-day kickoff visit where property and business owners, key strategic partners, elected officials and residents were interviewed. Additional one-on-one interviews were conducted on subsequent trips or between visits. Much of the discussion focused on the local economy in Sheridan, as well as needs in terms of business development and support opportunities.

This section presents the results of the stakeholder process, specifically as it addressed market opportunities relevant to this market analysis. During the stakeholder input process, there were a number of common themes that arose. The observations presented here are those of the stakeholders themselves, and are outlined below in no particular order of importance.

### 2.1 Strengths

- Downtown Sheridan is known as a successful downtown throughout Wyoming. It is self-sufficient as a district and has a strong visitor base.
- As a county seat, Sheridan's downtown is a key employment center as the location of the city and county governments and associated office uses.
- Sheridan is the primary population center in a large rural area and has limited competition within a two-hour drive.
- Sheridan in general is a commercial center for a large region. Similarly, downtown is the civic, economic, and cultural center for the City of Sheridan and beyond.
- Downtown has a strong arts presence, both visual and performing, and has a number of cultural and visitor destinations.
- With Downtown Sheridan Association, Forward Sheridan, Sheridan County Chamber of Commerce, and Sheridan Travel & Tourism, among others, there are a number of organizations that are focused on improving Sheridan.
- Of the business owners that were interviewed, most said that business is relatively good, and that the economic downturn has not affected downtown Sheridan to the level that may be seen nationwide.

### 2.2 Constraints

- Parking is a challenge in downtown Sheridan for a number of reasons. Stakeholders expressed a general lack of parking spaces, poor access to existing lots, and poor condition of parking areas.
- While there are a number of agencies providing business support and promotional services in Sheridan, there is currently a lack of a capability for dedicated and focused economic development activities in downtown.
- Several stakeholders noted that there is a lack of investment in downtown, both public and private. There have been few improvements to the physical infrastructure in downtown, while new construction has also been limited.

- Online retailing has been a significant challenge to independent businesses in Sheridan. In a rural area where access to bricks and mortar businesses is limited by variety and distance, it is convenient for the consumer to simply purchase online.
- Downtown Sheridan lacks a critical mass of retail. Office, service, and public uses are not balanced with commercial retail.
- Restaurants and food service are uniquely challenged in Sheridan. It is difficult getting fresh and affordable food products to the middle of Wyoming. With the lack of quality and diversity in town, Sheridan residents do not go out to eat.
- Sheridan's biggest competitors are West Billings, Walmart, and online retailing.
- There is a lack of diversity in the regional economy, including downtown. There is a need to create opportunities for diversification in retail, technology-based business, and building an activity or entertainment cluster.
- High rents and costs of improvements have hindered downtown investment.

### **2.3 Needed Uses, Activities, and Projects**

- Uses
  - Restaurants, both to improve variety and create evening activity.
  - More retail and specialty shopping downtown.
  - Use of upper floors, including more residential units.
  - Entertainment and Activity Cluster, perhaps using the WYO as an anchor.
- Parking
  - Parking management plan.
  - Improve awareness and access to existing parking.
  - Maintenance and improvements to existing parking.
  - New parking resources.
- Business support activities
  - E-commerce training and perhaps shared infrastructure for existing downtown businesses.
  - Market research and marketing assistance.
- Physical improvements
  - Wayfinding signage to get visitors to downtown, help locate parking, reduce sign clutter.
  - Snow removal and sidewalk cleaning.
  - Façade grants and revolving loans for physical improvements.
  - Beautification projects (streetscape, flower beds, plantings).
  - Fire safety and suppression improvements.
  - Improvements to key anchors such as the Sheridan Inn and former Dan's Western Wear.
- Marketing
  - Billboards on interstate promoting Downtown Sheridan.
  - Coordination with Coach Bus tours.
  - Local loyalty marketing strategy.
  - Increased events and activities.

### **3.0 Market Analysis**

This chapter presents the findings of the retail market analysis for downtown Sheridan. The market definition section of this report provides a glimpse into the geography of downtown's customer base, and the individual market studies present specific business recruitment and development opportunities.

Arnett Muldrow's methodology is designed to provide a snapshot of retail trade patterns in the community. Because it is a snapshot of Sheridan as a whole, this study does not necessarily reflect the exact trade patterns that each individual business might see through the course of the year. It should not substitute for thorough market research for any specific business.

Still, the information provided offers insight into the overall patterns, retail trade areas, and customer traffic for downtown Sheridan as a whole. The data will prove to be useful to the Downtown Sheridan Association in its economic development activities, as well as to individual businesses and property owners looking to make investments in the community.

#### **3.1 Market Definition**

It is important that the market analysis reflect the consumer habits and shopping patterns of Downtown Sheridan's true geographic trade areas rather than arbitrary study areas such as political boundaries and drive-time scenarios. This information is critical to the remainder of the market study and provides the baseline data for the subsequent leakage and shares analyses.

Our process begins with a zip code survey of customers to determine the market base relevant to Downtown Sheridan. It will also establish Sheridan's place in the regional market, how deep its penetration is into nearby urban markets such as Billings, as well as providing a snapshot of Downtown Sheridan's visitor base.

An equally important purpose of performing the zip code survey is that it engages local business owners in the process. Their participation not only leads towards a stronger plan and support for its recommendations, but also helps to educate these merchants in the benefits of tracking their customers. By learning a simple method of tracking customers, a local shop owner can monitor changes over time and help make the critical decisions of how and where to spend their limited marketing resources.

## Survey Participation

During a one-week period in March, downtown Sheridan businesses tallied the resident zip codes of their customers. Each business was provided with a form to record zip codes and asked to keep a log of its customers.

## Zip Code Survey Results

- The zip code survey was held the week of March 22<sup>nd</sup> through March 28<sup>th</sup>, 2012.
- 30 businesses participated representing a variety of business types in downtown Sheridan, including:
  - Restaurants
  - Personal Care
  - Clothing
  - Jewelry
  - Financial
  - Furniture
  - Gifts
  - Books
  - Office
  - Specialty Retail
  - Service

This represents a very good and well-rounded sample.

- All of the businesses with the exception of one were located within or adjacent to Downtown Sheridan Association's district.
- 2,059 individual customer visits were recorded during the survey week.
- These customers were from 178 unique zip codes.
- 32 states including Wyoming were represented in the survey.
- There were customers from 4 foreign countries (United Kingdom, France, Australia, Brazil)

The two tables below show the results of the zip code survey as compared to peer communities in which we have performed similar analyses. They present a comparison of total unique visitors from different zips and different states. While this comparison is somewhat unscientific due to the fact that the other communities may have had a different number of businesses participate, it still gives a fair comparison of the overall markets.

For the purposes of these charts, downtown Sheridan is identified with red bars.

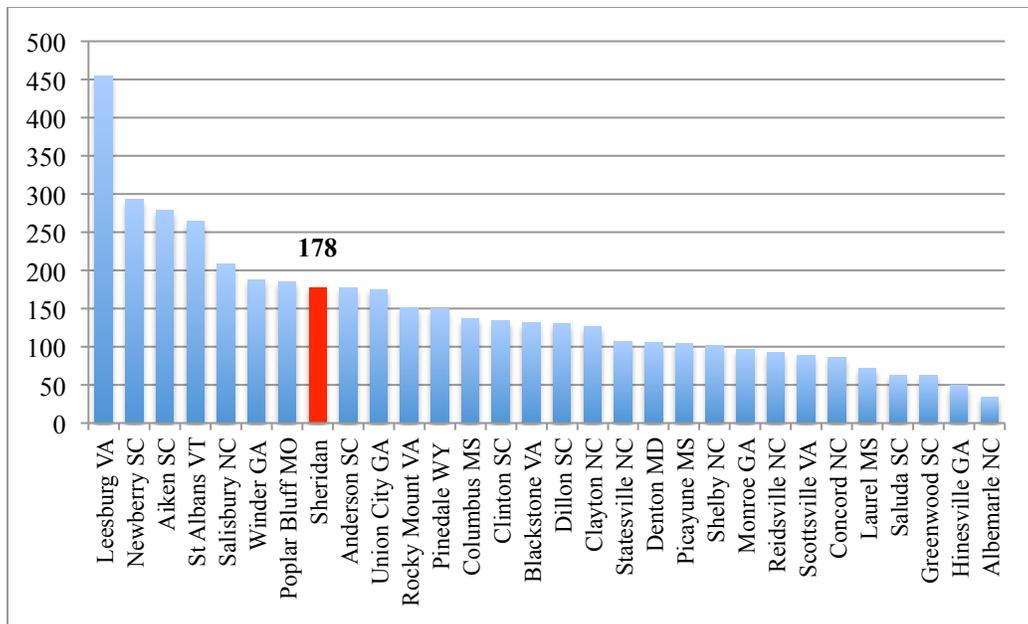


Figure 1: Comparison of unique zip codes recorded during initial zip code survey.

During the survey week, participating businesses in downtown Sheridan had 178 unique zip codes. This lies in the upper third of peer communities, and is the first indication that Sheridan has a healthy visitor market. Peer community numbers included:

- Pinedale, WY – 150 unique zips. Pinedale has a population of 2,020 and is the seat of Sublette County.
- Salisbury, NC – 208 zips. Like Sheridan, Salisbury is a county seat of a rural area, is along an interstate, and is the economic and cultural center of its region.

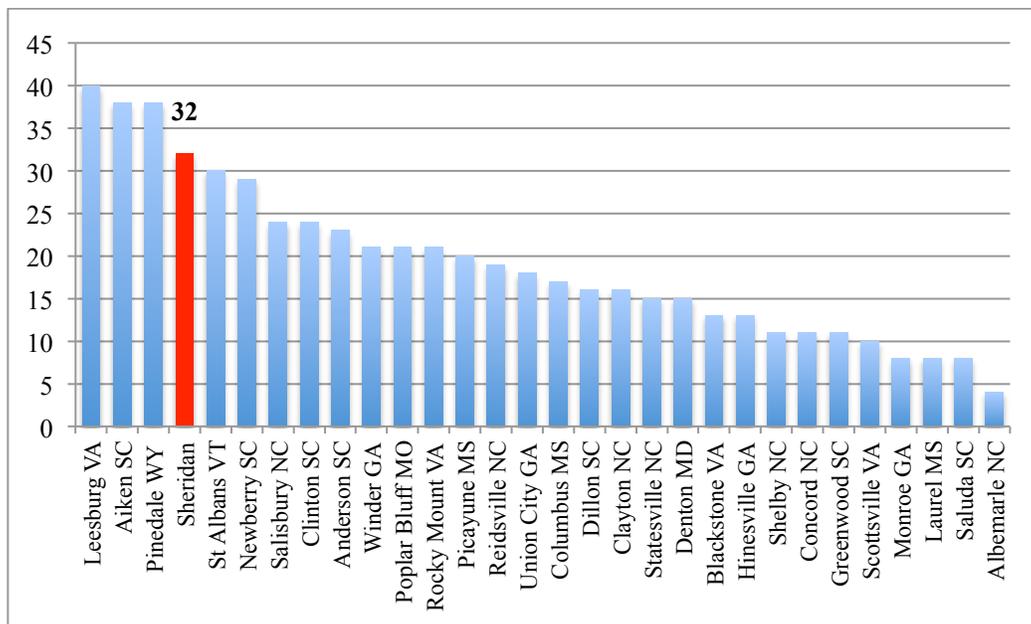
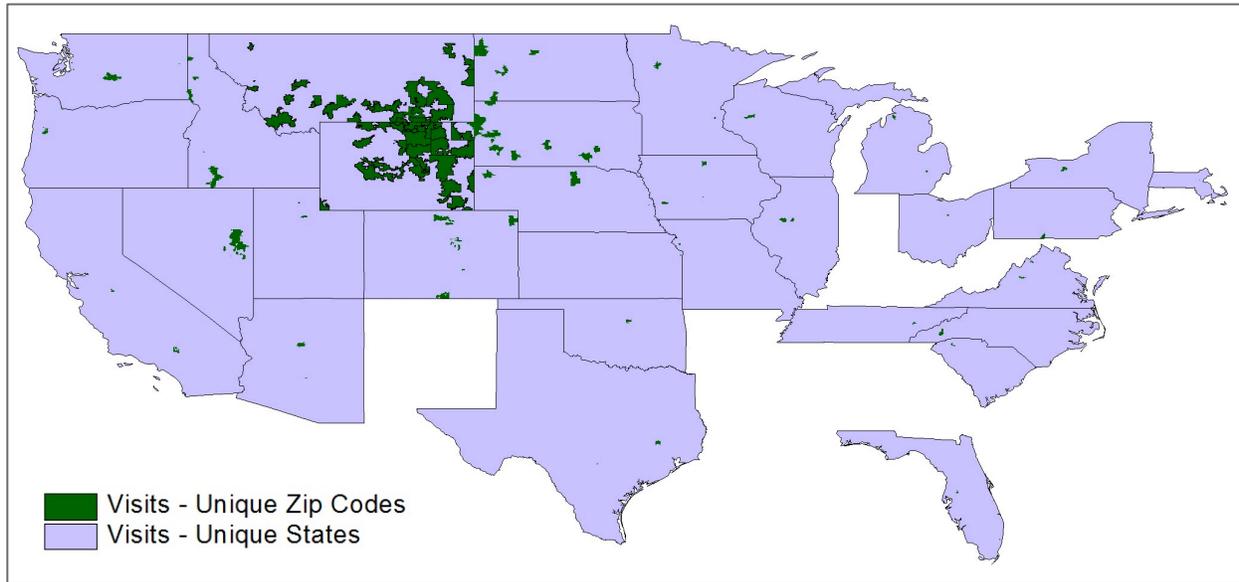


Figure 2: Comparison of unique states recorded during survey period.

The unique states chart above shows very similar trends. Downtown Sheridan as a whole had 32 unique states and is in the top four of peer communities. Considering that the survey in Sheridan was completed during a time when visitor traffic should be slower, this is even more significant. As the map below indicates, Sheridan had customers from the majority of the country, including Alaska.



*Figure 3: Location of Sheridan Visitors.*

**Customer Visits by Place of Residence**

The next several charts show Sheridan’s customer base broken down by customers’ place of residence. For the most part, the charts below identify each community based on that area’s zip code. In some cases, it refers to a collection of zip codes (ex. “Rest of US” or “Sheridan County”).

- Approximately 70% of the customers came from the primary Sheridan zip code (82801). This is more than what is typically seen, most likely due to the sheer geographic size of the Sheridan zip code. Also, Sheridan is in a rural area where the majority of the population lives in the primary zip code.
- Next was the Buffalo zip (82834) with approximately 6% of the overall market base.
- Dayton (82836) had 2%, followed by Rancheater, and Banner.
- The remaining Wyoming zip codes represented 10% of the market.
- Although Sheridan County is adjacent to Montana to the North, just 3% of customers came from Montana. Again, Southern Montana is extremely rural, while also closer to the Billings population center.
- 6.6% of the customer base resides in states other than Wyoming and Montana.

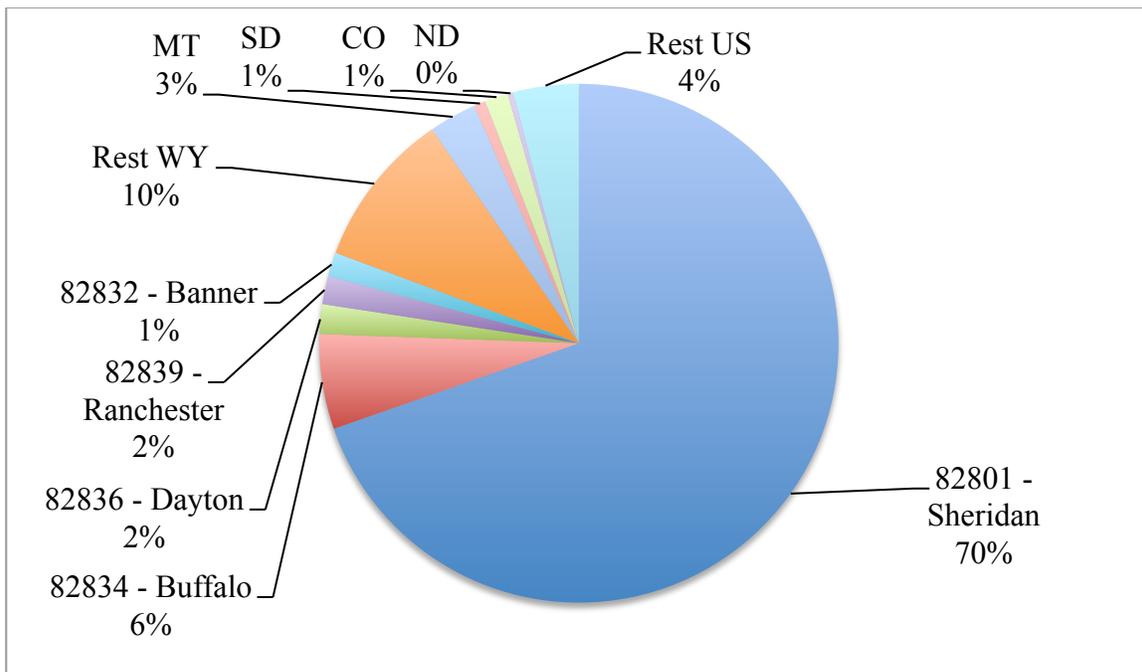


Figure 4: Percentage of Customer Visits – ALL BUSINESSES

**Where customers are coming from—a closer look**

- Approximately 79% of all customers came from Sheridan County, much higher than typical. This figure likely points both to the rural nature of the surrounding region, as well as the regional customers' proximity to the competitive markets of Billings and Gillette.
- 6% of customers come from Johnson County to the south, with the majority of those from the Buffalo zip code.
- Just under 12% of all customers come from outside of the five county area (Sheridan, Johnson, Campbell, Big Horn, WY, and Big Horn MT). These customers could be considered “visitors”, and represent a healthy overall portion of the market.

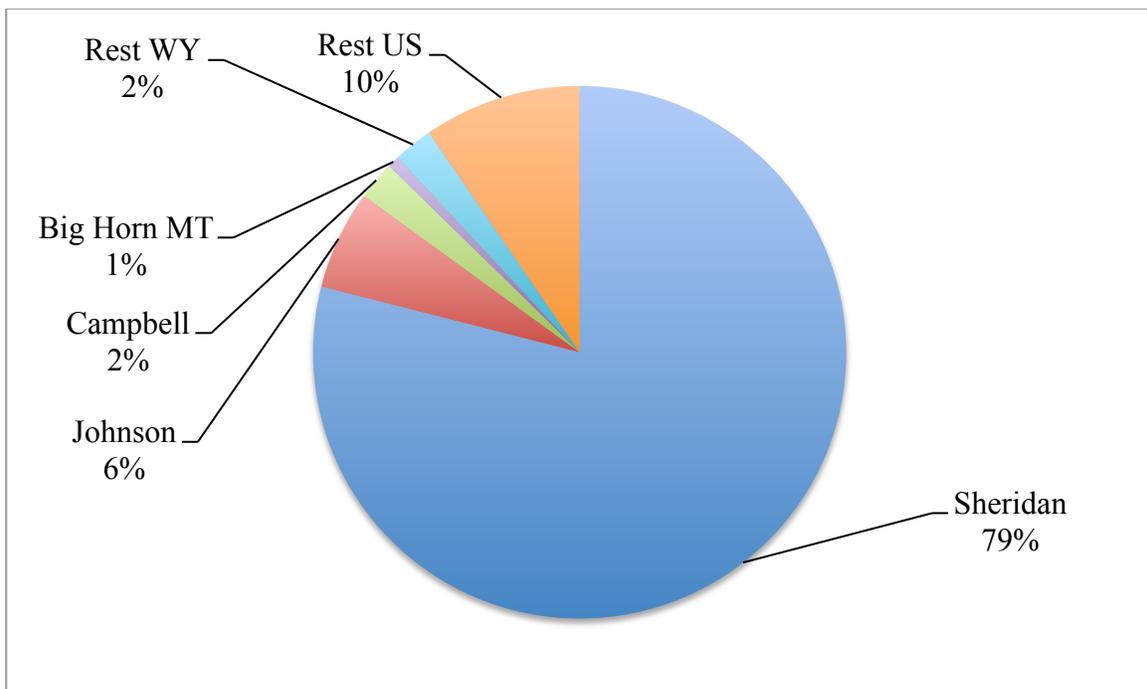


Figure 5: Customer Base by County

**Local and Visitor Market by Business:**

The data presented above represent Sheridan businesses as a whole. However, individual businesses typically show different trade patterns. The charts below show the local and visitor market by individual businesses for each of the thirty businesses that participated. The average of all businesses is shown in red.

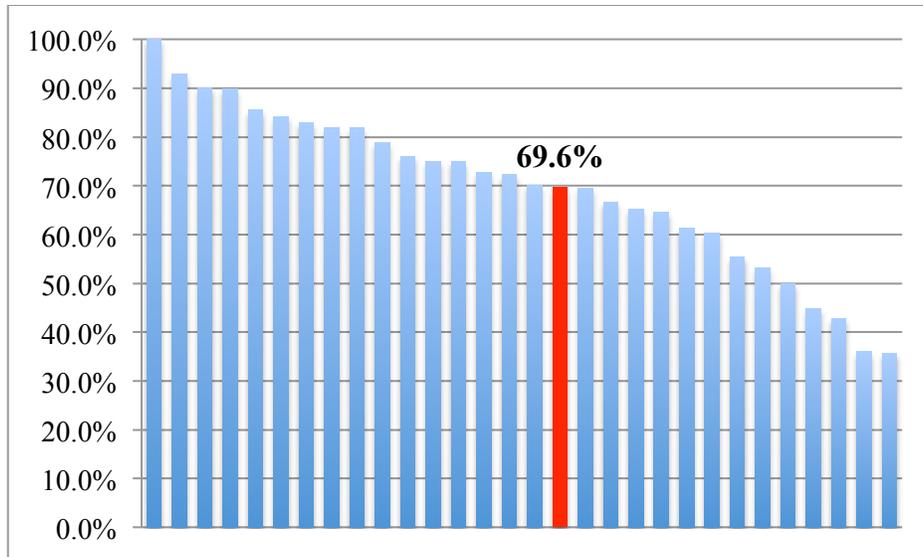


Figure 6: Percent 82801 by Business

Participating businesses had an average of 69.6% of their customers from within the Sheridan zip code (82801), varying from 35.7% to 100% depending on the business.

The “visitor” market will also vary by business. For the purposes of the chart below, a “visitor” would be any customers coming from outside a five-county region (Sheridan, Johnson, Campbell, Big Horn WY, Big Horn MT)

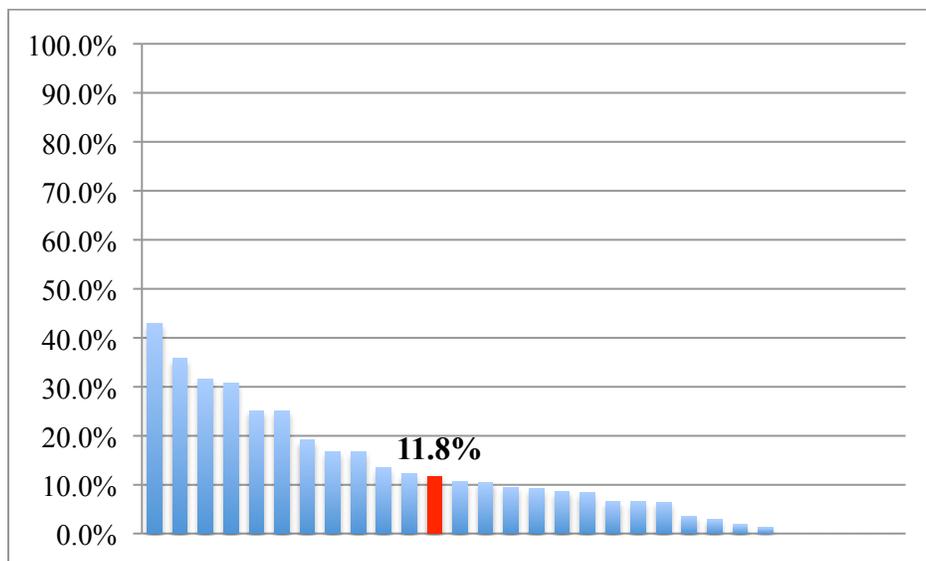


Figure 7: Percent Visitors for All Businesses

An average of 11.8% of all Sheridan customers could be considered “visitors.” This ranges by business from 0% to 43%. These customers could be regional visitors from nearby urban areas such as Billings, or they could be from outside the immediate area or other states.

**Customer Base by Business Type:**

Given the quality of the survey sample, we were able to divide the customer base by business type cluster. This helps us to determine any market variations between business types.

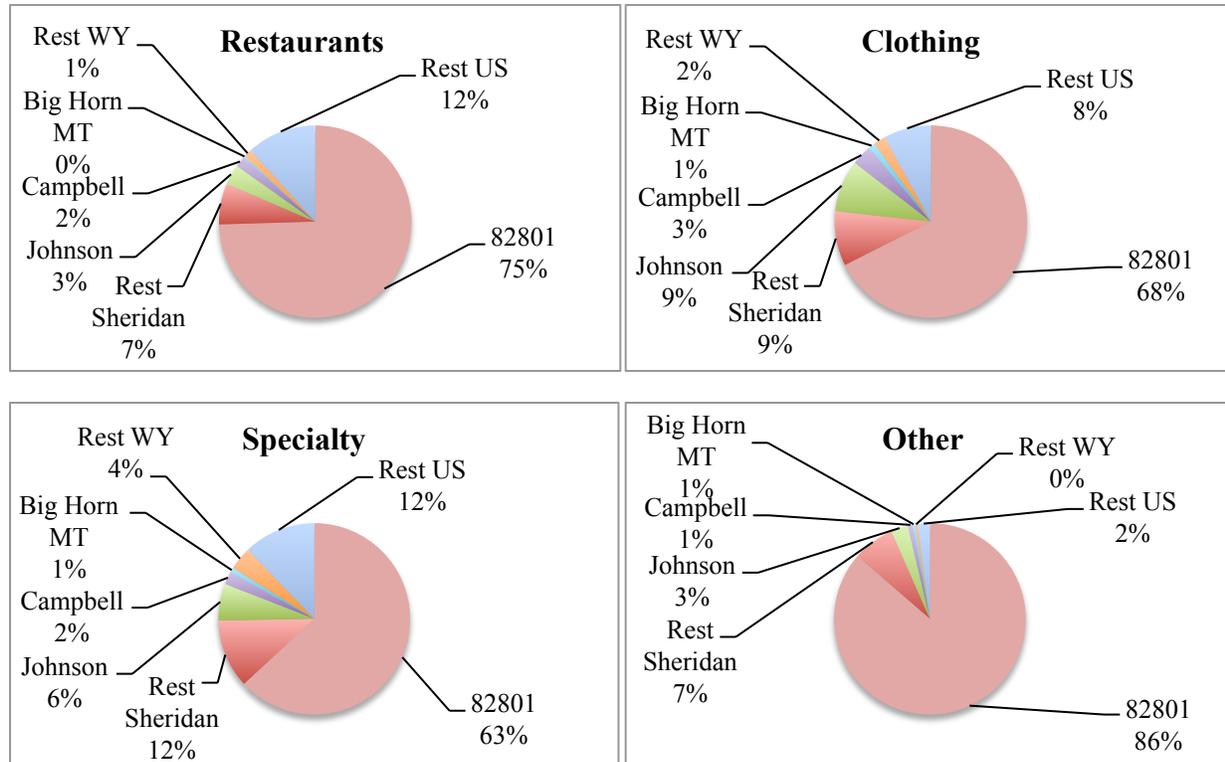


Figure 8: County of Residence of Downtown Sheridan Customers by Type of Business.

**Restaurants**

- 75% Sheridan 82801
- 82% Sheridan County
- 13% Visitor

**Clothing**

- 68% Sheridan 82801
- 77% Sheridan County
- 10% Visitor

**Specialty**

- 63% Sheridan 82801
- 75% Sheridan County
- 16% Visitor

**Other (Financial, Office, etc)**

- 86% Sheridan 82801
- 94% Sheridan County
- 2% Visitor

The data shows that business clusters in Sheridan do in fact have varying customer bases, and that restaurants and specialty shops drive the visitor market. Highest numbers are shown in blue.

### 3.2 Trade Area Definitions

The data above were presented simply as totals from each individual zip code. However, zip codes vary by geographic area and total population and cannot be analyzed by total visits alone. For example, there were 29 visits from Big Horn (82833) and 122 from the Buffalo zip (82834). This may suggest that Sheridan has a deeper penetration into Buffalo. However, the total population of the Buffalo zip is over sixteen times larger than the population of the Big Horn zip. Therefore, there is a much deeper penetration into Big Horn (relative to its population) than Buffalo. In other words, market penetration cannot be determined simply by the total number of visits, but by visits in relation to population.

The table below shows customer visits per 1,000 residents for each of the highest representative zip codes.

Zip Code	Area	Population	Visits	Visits/1000 Pop
82842	Story	415	29	69.88
82833	Big Horn	490	29	59.18
82801	Sheridan	25,004	1434	57.35
82844	Wolf	59	3	50.85
82836	Dayton	1,064	38	35.71
59025	Decker	117	4	34.19
82839	Acme	1,116	36	32.26
82832	Banner	1,089	31	28.47
82831	Arvada	222	6	27.03
82835	Clearmont	401	8	19.95
82725	Recluse	104	2	19.23
82834	Buffalo	7,879	122	15.48
82838	Parkman	338	5	14.79
59089	Wyola	504	3	5.95
59012	Birney	233	1	4.29
59062	Otter	385	1	2.60
50438	Garner	1,610	3	1.86
59050	Lodge Grass	2,807	5	1.78
82716	Gillette	19,767	28	1.42
82442	Ten Sleep	787	1	1.27
59016	Busby	1,694	2	1.18
82721	Moorcroft	3,816	3	0.79
82718	Gillette	24,443	18	0.74

Figure 9: Primary and Secondary Trade Areas. Visits per 1,000 population.

Because the number and type of participating businesses vary from community to community, there is no specific number that determines the primary and secondary trade areas. However, when comparing visits per 1,000 population in relation to the time frame in which the survey was conducted, breaks in the visits per 1,000 will begin to emerge. Whenever these breaks become significant, this determines the differences in trade areas.

By this measure, Sheridan’s **primary retail trade** area is defined as the following zip codes:

- 82801 – Sheridan
- 82845 – Wyarno
- 82833 – Big Horn
- 82842 – Story
- 82844 – Wolf

These zip codes had over 50.85 customer visits per thousand residents, and represented **73%** of the total visits during the survey period.

Sheridan’s **secondary trade area** included the following zips:

- 82834 – Buffalo
- 82835 – Dayton
- 82839 – Ranchester
- 82832 – Banner
- 82831 – Arvada
- 82835 – Clearmont
- 82875 – Recluse
- 82838 – Parkman
- 82838 – Parkman
- 59025 – Decker

These nine zips had over 14.79 visits per thousand residents and make up **12%** of the total visits during the survey period.

In all, Sheridan’s primary and secondary trade areas represent approximately **85%** of Sheridan’s local market base. The map below illustrates the trade areas for Sheridan. The primary trade area is shown in orange, and the secondary in purple.

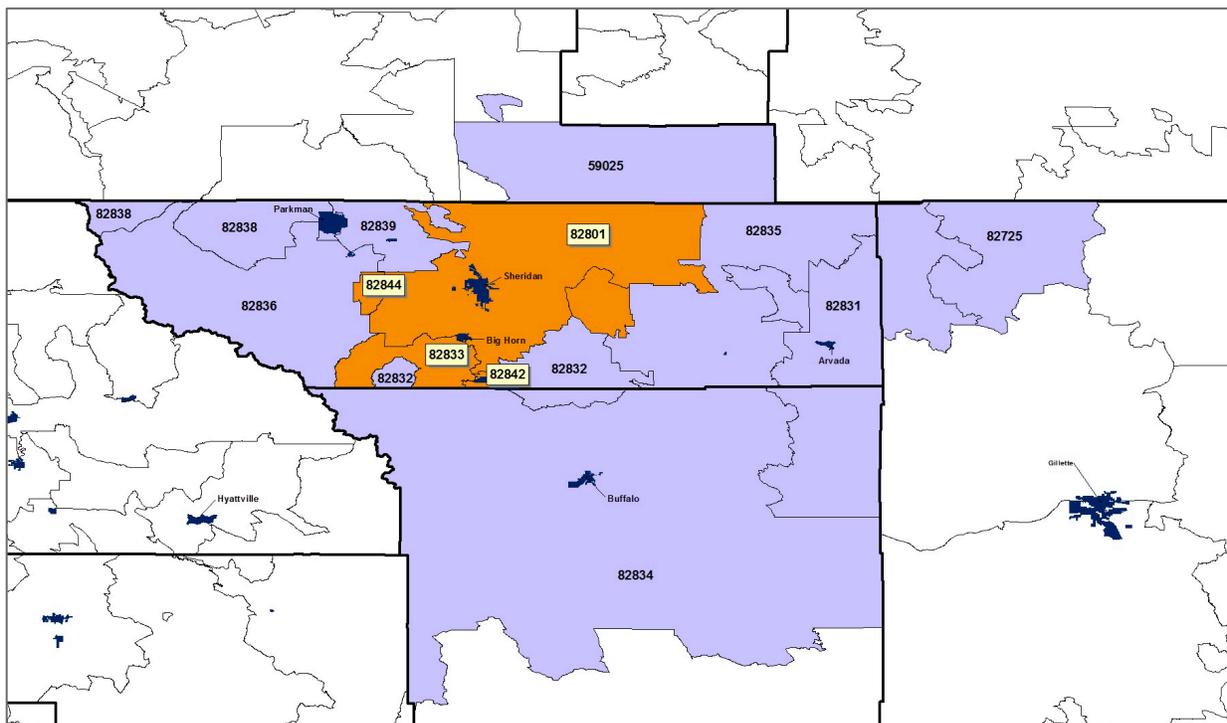


Figure 10: Downtown Sheridan primary (orange) and secondary (purple) trade areas.

**Additional Market Definition Conclusions:**

- In general, downtown Sheridan serves a local market representing a broad rural region. 70% of customers come from the Sheridan zip code, while 88% of all customers live in a five county area.
- Approximately 12% of all customers could be considered visitors, coming from 32 different states. While this percentage of visitors is a little higher than average for peer communities, the number of unique zip codes and states are much higher than typical. On top of that, the survey was conducted during a time of year when fewer visitors would be expected.
- In other words, while downtown Sheridan showed a local customer base during the survey period, its businesses also show a broad visitor base during a typically slow time. Ideally, a downtown should serve a local market base first, while attracting both regional customers and visitors as well. Downtown Sheridan appears to be doing this.
- In addition, a healthy downtown should have an environment where customers easily go from business to business. Whenever there are customers from a unique zip code, either far outside the region or from another state, that customer can be “tracked” to determine if this browsing is occurring. In Sheridan’s case, there were numerous examples of “visitor browsing”.
- Overall, downtown Sheridan’s primary and secondary trade areas are geographically broad, covering parts of four separate counties. This includes the City of Sheridan and surrounding rural region, and represents downtown’s local market.
- There was little market penetration into the regional competitive markets of Billings, Gillette, and Rapid City. This is not unusual for peer communities, particularly when these primary competitors are an hour or more away.
- On the other hand, downtown Sheridan is performing very well in Buffalo, a nearby “downtown” competitor.
- Finally, there appear to be significant differences in the makeup of the customer base when comparing businesses by type. Restaurants and specialty shops serve more visitors, while clothing stores reach out to the broadest geographic region.

### 3.3 Retail Market Analysis

Downtown Sheridan serve the market defined in the previous section. The primary and secondary trade areas in particular will be the basis for the analysis below. In this section, Sheridan's retail market will be examined to identify potential opportunities for retail growth through three key studies:

1. A **retail leakage** analysis that will look at the primary and secondary trade areas to see how much money is "leaking" from the area to stores in other areas.
2. From this, a **space demand analysis** will be developed to illustrate how much retail space could potentially be brought back into Sheridan based on the demand in the market.
3. A **retail shares** analysis that examines performance of retail stores in Sheridan's trade areas as a benchmark of the greater region. This study will seek to determine if there are any retail-clustering opportunities for the community.

#### Retail Leakage Analysis

"Retail Leakage" refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be "leaking." If a community is a major retail center with a variety of stores, it will be "attracting" rather than "leaking" retail sales. Even large communities may see leakage in certain retail categories.

The data presented below comes from Nielsen Claritas, Inc., a national retail marketing service used by town planners, retail & restaurant site planners, and national chains for their market research. Claritas gets its data from a number of sources. Sales expenditures primarily come from the Census for Retail Trade gathered on a county level by the US Census Bureau. Claritas updates the data each year using trade associations, local sales tax data, wage & employment data, & then allocate it block group levels. Overall the sales data comes from the following sources: Census of Retail Trade; Annual Survey of Retail Trade; Claritas Business Facts; Census of Employment and Wages; Sales Tax Reports; and various Trade Associations.

#### Retail Leakage in the Primary and Secondary Trade Areas

For the previous year,

- Stores in Sheridan's primary trade area sold \$595 million in merchandise. Consumers living in Sheridan's primary trade area spent \$441 million in merchandise. Therefore, Sheridan's primary trade area **gained \$154 million** in sales last year. Sheridan alone gained \$175 million.
- Stores in Sheridan's secondary trade area sold \$91 million in merchandise. However, residents in Sheridan's secondary trade area spent \$203 in merchandise. Therefore, Sheridan's secondary trade area **leaked \$112 million** in the previous year.

The \$246 million in gain in the primary trade area indicates that Sheridan is indeed a retail market center, likely pulling in customers and sales from the large regional area indicated in the zip code survey. In fact, while the STA is leaking, the majority is likely leaking into the primary trade area itself. Combined, the local trade area gained \$42 million last year. Whenever there is gain like this, it indicates that the market is serving its locals as well as bringing in other customers.

Not all categories show gain. By isolating the individual retail categories, we can determine exactly where the opportunities lie, and particularly those categories that show leakage in both trade areas. The table beginning on the following page details the consumer expenditures, retail sales, and inflow/outflow of dollars by individual retail category and begins to outline the opportunity for retail growth in Sheridan and its downtown.

Opportunity Gap - Retail Stores	PTA			STA		
	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)
<b>Total Retail Sales Incl Eating and Drinking Places</b>	<b>441,013,499</b>	<b>594,805,458</b>	<b>(153,791,959)</b>	<b>203,361,025</b>	<b>91,197,251</b>	<b>112,163,774</b>
<b>Motor Vehicle and Parts Dealers-441</b>	<b>89,692,562</b>	<b>134,553,605</b>	<b>(44,861,043)</b>	<b>39,949,493</b>	<b>8,834,022</b>	<b>31,115,471</b>
Automotive Dealers-4411	74,975,926	122,867,973	(47,892,047)	33,156,811	5,725,241	27,431,570
Other Motor Vehicle Dealers-4412	9,001,634	2,302,120	6,699,514	4,155,584	1,187,988	2,967,596
Automotive Parts/Accsrs, Tire Stores-4413	5,715,002	9,383,512	(3,668,510)	2,637,098	1,920,793	716,305
<b>Furniture and Home Furnishings Stores-442</b>	<b>8,512,841</b>	<b>8,631,367</b>	<b>(118,526)</b>	<b>3,965,144</b>	<b>1,178,296</b>	<b>2,786,848</b>
Furniture Stores-4421	4,502,862	3,622,366	880,496	2,091,961	725,877	1,366,084
Home Furnishing Stores-4422	4,009,979	5,009,001	(999,022)	1,873,183	452,419	1,420,764
<b>Electronics and Appliance Stores-443</b>	<b>9,570,559</b>	<b>38,270,656</b>	<b>(28,700,097)</b>	<b>4,343,534</b>	<b>27,119</b>	<b>4,316,415</b>
Appliances, TVs, Electronics Stores-44311	7,178,696	27,251,786	(20,073,090)	3,263,720	24,084	3,239,636
Household Appliances Stores-443111	1,704,097	2,807,244	(1,103,147)	786,928	0	786,928
Radio, Television, Electronics Stores-443112	5,474,599	24,444,542	(18,969,943)	2,476,792	24,084	2,452,708
Computer and Software Stores-44312	1,977,317	11,018,870	(9,041,553)	891,446	3,035	888,411
Camera and Photographic Equipment Stores-44313	414,546	0	414,546	188,368	0	188,368
<b>Building Material, Garden Equip Stores -444</b>	<b>40,107,417</b>	<b>97,733,486</b>	<b>(57,626,069)</b>	<b>18,862,318</b>	<b>25,073,973</b>	<b>(6,211,655)</b>
Building Material and Supply Dealers-4441	35,923,656	68,977,928	(33,054,272)	16,881,946	22,449,795	(5,567,849)
Home Centers-44411	14,347,149	914,548	13,432,601	6,748,820	1,739,247	5,009,573
Paint and Wallpaper Stores-44412	873,079	185,191	687,888	407,403	20,463	386,940
Hardware Stores-44413	3,630,129	8,442,350	(4,812,221)	1,703,938	3,497,663	(1,793,725)
Other Building Materials Dealers-44419	17,073,299	59,435,839	(42,362,540)	8,021,785	17,192,422	(9,170,637)
Building Materials, Lumberyards-444191	6,793,911	23,239,423	(16,445,512)	3,160,242	6,722,240	(3,561,998)
Lawn, Garden Equipment, Supplies Stores-4442	4,183,761	28,755,558	(24,571,797)	1,980,372	2,624,178	(643,806)
Outdoor Power Equipment Stores-44421	1,020,793	0	1,020,793	473,494	0	473,494
Nursery and Garden Centers-44422	3,162,968	28,755,558	(25,592,590)	1,506,878	2,624,178	(1,117,300)
<b>Food and Beverage Stores-445</b>	<b>56,777,878</b>	<b>39,008,321</b>	<b>17,769,557</b>	<b>26,629,082</b>	<b>13,124,558</b>	<b>13,504,524</b>
Grocery Stores-4451	51,967,415	36,657,313	15,310,102	24,408,667	11,855,215	12,553,452
Supermarkets, Grocery (Ex Conv) Stores-44511	49,352,986	36,415,649	12,937,337	23,199,825	11,811,946	11,387,879
Convenience Stores-44512	2,614,429	241,664	2,372,765	1,208,842	43,269	1,165,573
Specialty Food Stores-4452	1,641,510	138,441	1,503,069	770,543	77,109	693,434
Beer, Wine and Liquor Stores-4453	3,168,953	2,212,567	956,386	1,449,872	1,192,234	257,638

Opportunity Gap - Retail Stores	PTA			STA		
	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)
<b>Health and Personal Care Stores-446</b>	<b>23,915,057</b>	<b>23,499,489</b>	<b>415,568</b>	<b>11,604,846</b>	<b>407,458</b>	<b>11,197,388</b>
Pharmancies and Drug Stores-44611	20,637,359	19,859,357	778,002	10,019,643	338,157	9,681,486
Cosmetics, Beauty Supplies, Perfume Stores	853,849	0	853,849	416,949	0	416,949
Optical Goods Stores-44613	883,690	739,995	143,695	419,946	17,069	402,877
Other Health and Personal Care Stores-44619	1,540,159	2,900,137	(1,359,978)	748,308	52,232	696,076
<b>Gasoline Stations-447</b>	<b>44,576,137</b>	<b>84,192,727</b>	<b>(39,616,590)</b>	<b>20,576,375</b>	<b>31,119,326</b>	<b>(10,542,951)</b>
Gasoline Stations With Conv Stores-44711	33,214,568	81,241,655	(48,027,087)	15,323,822	6,140,666	9,183,156
Other Gasoline Stations-44719	11,361,569	2,951,072	8,410,497	5,252,553	24,978,660	(19,726,107)
<b>Clothing and Clothing Accessories Stores-448</b>	<b>18,207,963</b>	<b>6,997,511</b>	<b>11,210,452</b>	<b>8,295,013</b>	<b>159,142</b>	<b>8,135,871</b>
Clothing Stores-4481	12,882,556	6,085,238	6,797,318	5,881,471	159,142	5,722,329
Men's Clothing Stores-44811	849,368	2,348,153	(1,498,785)	388,830	0	388,830
Women's Clothing Stores-44812	3,153,917	1,936,260	1,217,657	1,447,197	0	1,447,197
Childrens, Infants Clothing Stores-44813	760,996	0	760,996	338,607	0	338,607
Family Clothing Stores-44814	6,957,850	0	6,957,850	3,173,029	0	3,173,029
Clothing Accessories Stores-44815	306,016	0	306,016	140,041	0	140,041
Other Clothing Stores-44819	854,409	1,800,825	(946,416)	393,767	159,142	234,625
Shoe Stores-4482	2,521,109	321,933	2,199,176	1,143,178	0	1,143,178
Jewelry, Luggage, Leather Goods Stores-4483	2,804,298	590,340	2,213,958	1,270,364	0	1,270,364
Jewelry Stores-44831	2,584,027	590,340	1,993,687	1,169,254	0	1,169,254
Luggage and Leather Goods Stores-44832	220,271	0	220,271	101,110	0	101,110
<b>Sporting Goods, Hobby, Book, Music Stores-451</b>	<b>8,921,907</b>	<b>10,997,925</b>	<b>(2,076,018)</b>	<b>4,029,655</b>	<b>418,706</b>	<b>3,610,949</b>
Sportng Goods, Hobby, Musical Inst Stores-4511	6,097,478	8,884,631	(2,787,153)	2,777,277	418,706	2,358,571
Sporting Goods Stores-45111	2,991,818	7,884,434	(4,892,616)	1,355,272	409,585	945,687
Hobby, Toys and Games Stores-45112	1,957,134	260,014	1,697,120	891,989	0	891,989
Sew/Needlework/Piece Goods Stores-45113	556,664	71,723	484,941	262,623	9,121	253,502
Musical Instrument and Supplies Stores-45114	591,862	668,460	(76,598)	267,393	0	267,393
Book, Periodical and Music Stores-4512	2,824,429	2,113,294	711,135	1,252,378	0	1,252,378
Book Stores and News Dealers-45121	1,945,285	2,113,294	(168,009)	856,145	0	856,145
Book Stores-451211	1,846,470	2,113,294	(266,824)	811,125	0	811,125
News Dealers and Newsstands-451212	98,815	0	98,815	45,020	0	45,020
Prerecorded Tapes, CDs, Record Stores-45122	879,144	0	879,144	396,233	0	396,233

Opportunity Gap - Retail Stores	PTA			STA		
	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)
<b>General Merchandise Stores-452</b>	<b>55,224,813</b>	<b>100,952,773</b>	<b>(45,727,960)</b>	<b>25,705,293</b>	<b>540,139</b>	<b>25,165,154</b>
Department Stores Excl Leased Depts-4521	26,094,521	37,398,445	(11,303,924)	12,084,011	506,073	11,577,938
Other General Merchandise Stores-4529	29,130,292	63,554,328	(34,424,036)	13,621,282	34,066	13,587,216
<b>Miscellaneous Store Retailers-453</b>	<b>11,697,846</b>	<b>9,781,796</b>	<b>1,916,050</b>	<b>5,474,998</b>	<b>159,350</b>	<b>5,315,648</b>
Florists-4531	838,154	329,767	508,387	392,281	2,003	390,278
Office Supplies, Stationery, Gift Stores-4532	4,494,495	6,656,226	(2,161,731)	2,064,171	57,191	2,006,980
Office Supplies and Stationery Stores-45321	2,551,458	5,560,542	(3,009,084)	1,171,107	52,560	1,118,547
Gift, Novelty and Souvenir Stores-45322	1,943,037	1,095,684	847,353	893,064	4,631	888,433
Used Merchandise Stores-4533	921,507	184,373	737,134	417,340	998	416,342
Other Miscellaneous Store Retailers-4539	5,443,690	2,611,430	2,832,260	2,601,206	99,158	2,502,048
<b>Non-Store Retailers-454</b>	<b>32,009,942</b>	<b>4,882,638</b>	<b>27,127,304</b>	<b>14,894,236</b>	<b>250,154</b>	<b>14,644,082</b>
<b>Foodservice and Drinking Places-722</b>	<b>41,798,577</b>	<b>35,303,164</b>	<b>6,495,413</b>	<b>19,031,038</b>	<b>9,905,008</b>	<b>9,126,030</b>
Full-Service Restaurants-7221	18,675,706	19,951,459	(1,275,753)	8,490,876	6,753,968	1,736,908
Limited-Service Eating Places-7222	17,761,000	10,131,386	7,629,614	8,092,498	1,838,391	6,254,107
Special Foodservices-7223	3,499,413	2,022,052	1,477,361	1,597,034	63,502	1,533,532
Drinking Places -Alcoholic Beverages-7224	1,862,458	3,198,267	(1,335,809)	850,630	1,249,147	(398,517)
<b>GAFO *</b>	<b>104,932,578</b>	<b>172,506,458</b>	<b>(67,573,880)</b>	<b>48,402,810</b>	<b>2,380,593</b>	<b>46,022,217</b>
General Merchandise Stores-452	55,224,813	100,952,773	(45,727,960)	25,705,293	540,139	25,165,154
Clothing and Clothing Accessories Stores-448	18,207,963	6,997,511	11,210,452	8,295,013	159,142	8,135,871
Furniture and Home Furnishings Stores-442	8,512,841	8,631,367	(118,526)	3,965,144	1,178,296	2,786,848
Electronics and Appliance Stores-443	9,570,559	38,270,656	(28,700,097)	4,343,534	27,119	4,316,415
Sporting Goods, Hobby, Book, Music Stores-451	8,921,907	10,997,925	(2,076,018)	4,029,655	418,706	3,610,949
Office Supplies, Stationery, Gift Stores-4532	4,494,495	6,656,226	(2,161,731)	2,064,171	57,191	2,006,980

Figure 11: Retail Leakage by Category in Sheridan's Primary and Secondary Trade Areas. Source: Claritas, Inc.

Downtown Sheridan's combined trade areas do show gain overall, yet on second look it appears that the gain is specifically in a few categories. "Gain" indicates that stores in the area are selling more than residents have the capacity to spend, meaning that customers are coming from outside the trade area for that particular good. Sheridan shows the largest **gain** in these categories:

- Building Materials & Supply - \$63 million in gain
- Gas Stations - \$50 million
- General Merchandising - \$21 million
- Auto Dealers - \$20 million in gain

While the combined trade areas gained \$42 million, these four categories alone showed \$155 million in gain. Therefore, the majority of the remaining categories **actually show leakage**.

Although retail leakage may have a negative connotation, it translates to opportunity based on current demand. In this light, the greatest opportunities for Sheridan's combined trade areas are:

- Grocery & Food Stores - leakage of \$31 million
- Home Centers - \$18 million in leakage
- Restaurants - \$15 million
- Pharmacy & Drug Stores - \$10 million
- Family Clothing - \$10 million
- Various other general and specialty retail categories

Similarly, if we look at demand within the 5-county region that is relevant to Sheridan's market, opportunities include:

- Furniture & Home Furnishings - \$9 million in leakage
- Home Centers - \$56 million in leakage
- Grocery & Food Stores - leakage of \$59 million
- Pharmacy & Drug Stores - \$45 million
- Clothing - leakage of \$46 million, mostly in Family category
- Restaurants - \$47 million

### **Market Potential Analysis**

While there is leakage overall in certain categories, Sheridan cannot reasonably expect to recapture 100% of the sales leaking from its trade areas. As much as we shop for items that we need everyday, shopping itself is an activity. People will continue to travel to other places to get certain goods or services, shop online, or in catalogs. Therefore, we must look at a potential capture scenario that might illustrate the potential for additional retail should some of the lost revenues be captured in the categories where retail leakage exists. Through strategic recruitment, economic development and marketing, a community can reasonably expect to recapture a certain amount of sales that are leaking out of the area. Typically, a community could capture 20% of leakage from the primary trade area (one in every five dollars) and 10% of the leakage from the secondary trade area (one in every ten dollars).

The table below illustrates the new or expanded retail space that could be supported in Sheridan by capturing some of the leaking sales.

Retail Stores	20% of PTA Outflow	10% Of STA Outflow	Potential Capture	Sales per Square Foot	Calculated Capture
Selected Retail Categories Below	(16,144,266)	7,114,928			56,855
Furniture Stores	176,099	136,608	312,708	141.84	2,205
Home Furnishing Stores	(199,804)	142,076		167.75	0
Household Appliances Stores	(220,629)	78,693		245.44	0
Radio, Television, Electronics Stores	(3,793,989)	245,271		207.17	0
Computer and Software Stores	(1,808,311)	88,841		207.17	0
Camera and Photographic Equipment Stores	82,909	18,837	101,746	542.63	188
Building Material and Supply Dealers	(6,610,854)	(556,785)		142.38	0
Hardware Stores	(962,444)	(179,373)		121.08	0
Grocery Stores	3,062,020	1,255,345	4,317,366	371.79	11,612
Health and Personal Care Stores	83,114	1,119,739	1,202,852	247.29	4,864
Clothing and Clothing Accessories Stores	1,359,464	572,233	1,931,697	164.60	11,736
Women's Accessory & Specialty	243,531	144,720	388,251	164.60	2,359
Shoe Stores	439,835	114,318	554,153	158.81	3,489
Jewelry Stores	398,737	116,925	515,663	263.92	1,954
Luggage and Leather Goods Stores	44,054	10,111	54,165	198.82	272
Sporting Goods Stores	(978,523)	94,569		153.46	0
Hobby, Toys and Games Stores	339,424	89,199	428,623	146.28	2,930
Sew/Needlework/Piece Goods Stores	96,988	25,350	122,338	74.91	1,633
Book Stores	(53,365)	81,113	27,748	161.16	172
General Merchandise Stores	(9,145,592)	2,516,515		133.90	0
Florists	101,677	39,028	140,705	149.82	939
Gift, Novelty and Souvenir Stores	169,471	88,843	258,314	168.55	1,533
Foodservice and Drinking Places	1,299,083	912,603	2,211,686	201.63	10,969
Drinking Places -Alcoholic Beverages	(267,162)	(39,852)		88.07	0

Figure 12: 20/10 Capture Scenario for Sheridan. Sources: Claritas, Inc., Dollars & Cents of Shopping Centers, Arnett Muldrow & Associates.

Based on this scenario table, Sheridan's trade areas show demand for up to **56,855 square feet of additional retail space** in the above categories. This is not a tremendous amount of demand overall, but it should be noted that our capture scenario is conservative. Given the rural makeup of Sheridan's regional market, and lack of significant competitors in the area, the opportunity is likely greater than this.

### Retail Shares Analysis

The retail shares analysis compares Sheridan's primary trade area businesses as proportion of a larger region. This is used to benchmark selected retail categories to determine if particular retail types are under performing, representing an opportunity for expansion, or performing exceptionally well, representing an opportunity for clustering related businesses around a certain strength. For the purposes of this study, Sheridan's primary trade area is compared to a six-county region including Sheridan, Johnson, Campbell, Big Horn WY, Big Horn MT, and Yellowstone County MT.

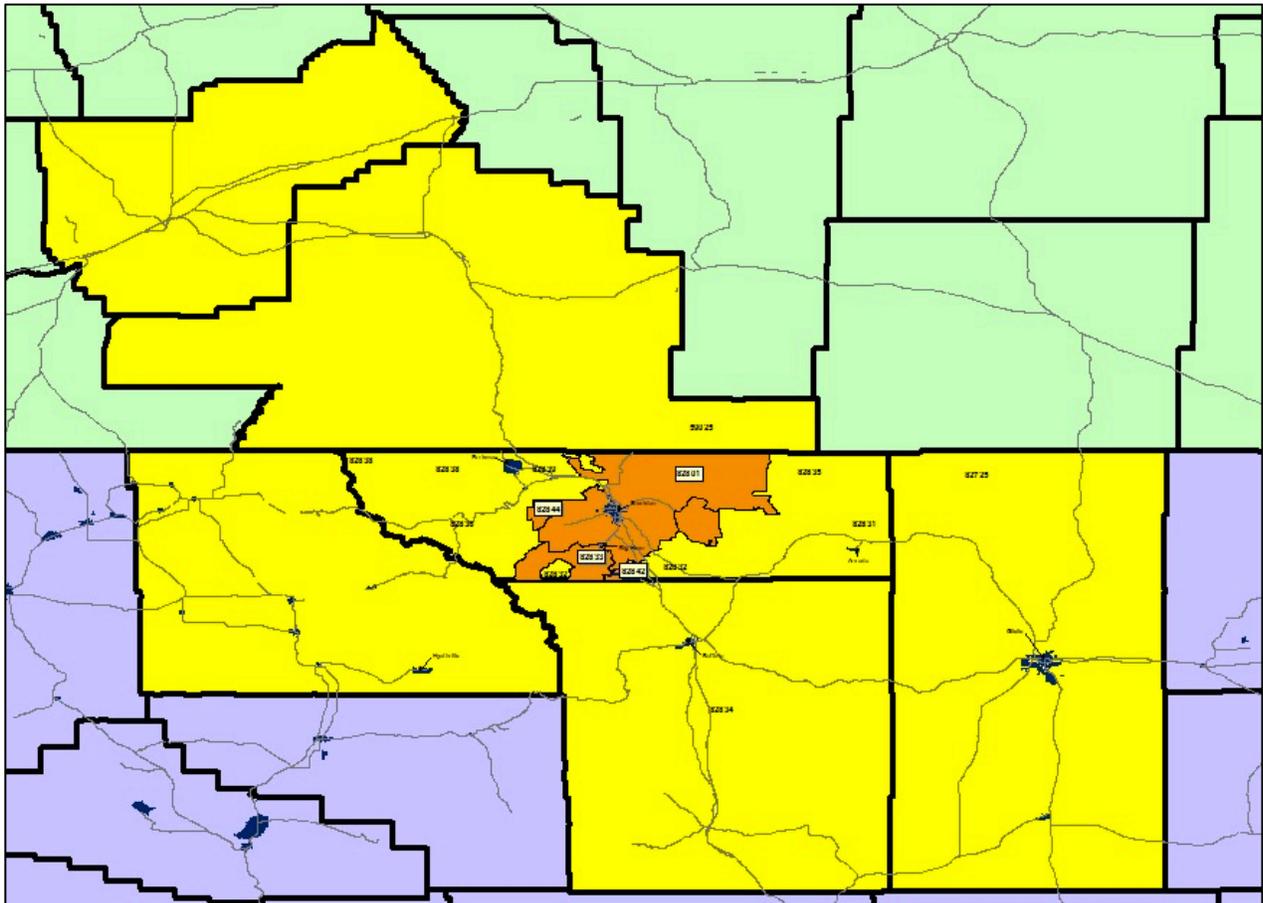


Figure 13: Shares Region (yellow) including Primary Trade Area (orange).

## Retail Shares

The total sales for all businesses in the primary trade area account for a 11.0% share of all retail within the six-county region.

Retail Shares Analysis	6 County Shares		
	Sales		Share %
	Primary	6-County	
<b>Total Retail Sales</b>	<b>\$594,805,458</b>	<b>\$5,383,503,455</b>	<b>11.0%</b>
Radio, Television, Electronics Stores	\$24,444,542	\$80,373,945	30.4%
Computer and Software Stores	\$11,018,870	\$26,228,992	42.0%
Building Materials, Lumberyards	\$23,239,423	\$131,421,779	17.7%
Lawn, Garden Equipment, Supplies	\$28,755,558	\$77,936,999	36.9%
Nursery and Garden Centers	\$28,755,558	\$77,926,608	36.9%
Men's Clothing Stores	\$2,348,153	\$8,643,769	27.2%
<b>Total Retail Sales</b>	<b>\$594,805,458</b>	<b>\$5,383,503,455</b>	<b>11.0%</b>
Camera and Photographic Stores	\$0	\$539,859	0.0%
Home Centers	\$914,548	\$119,790,089	0.8%
Paint and Wallpaper Stores	\$185,191	\$19,852,064	0.9%
Outdoor Power Equipment Stores	\$0	\$10,391	0.0%
Specialty Food Stores	\$138,441	\$5,461,894	2.5%
Childrens, Infants Clothing Stores	\$0	\$1,976,640	0.0%
Family Clothing Stores	\$0	\$45,142,706	0.0%
Clothing Accessories Stores	\$0	\$3,773,986	0.0%
Shoe Stores	\$321,933	\$19,781,210	1.6%
Luggage and Leather Goods Stores	\$0	\$705,947	0.0%
Hobby, Toys and Games Stores	\$260,014	\$45,469,462	0.6%
Sew/Needlework/Piece Goods Stores	\$71,723	\$14,588,872	0.5%
Used Merchandise Stores	\$184,373	\$7,743,393	2.4%

Figure 14: Shares Analysis for Primary Trade Area. Source: Claritas, Inc.

Anything significantly above the benchmark share of 11.0% in the PTA would represent a clustering opportunity. This means that Sheridan has a larger portion of regional retail sales in that category. That particular category may be a regional attractor, and there may be potential for expansion in an effort to build a cluster. There may also be a need to market and position the community as a destination for a that particular use.

Anything significantly below the benchmark suggests there is a general lack of supply in that category. This would point us back to the retail leakage study to determine if there is enough opportunity to support additional space in Sheridan.

The shares study shows a few business types that are performing well within the region, and these are shown in top portion the table above. Generally, the ability to build retail clusters is centered on destination based retail, such as restaurants, antiques, furniture, etc. In Sheridan, certain categories may show a much higher share than the benchmark (lumberyards), but are not considered clustering opportunities.

### Retail Pull Factor

A method to determine an area's competitiveness is by calculating its retail "pull factor". Similar to a retail shares analysis, it is a supply-side study that provides a broader perspective on the relative strength of a community's retail base. Pull Factor is determined simply by dividing Sheridan's per capita retail sales by Wyoming's per capita sales. The figures below are based on the most recent sales data from Claritas, Inc, as well as the US Census.

	Total Retail Sales	2010 Population	Per Capita Retail Sales	Pull Factor
Wyoming	\$10,288,085,413	563,626	\$18,253.39	n/a
Montana	\$17,890,490,974	989,415	\$18,081.89	n/a
Sheridan	\$466,094,020	17,444	\$26,719.45	1.46
PTA	\$594,805,458	25,968	\$22,905.32	1.25
Sheridan County	\$604,977,714	29,116	\$20,778.19	1.14
Johnson	\$81,142,493	8,569	\$9,469.31	0.52
Campbell	\$1,018,116,504	46,133	\$22,069.16	1.21
Big Horn WY	\$64,766,929	11,668	\$5,550.82	0.30
Washakie	\$149,897,245	8,533	\$17,566.77	0.96
Big Horn MT	\$96,501,928	12,865	\$7,501.12	0.41
Yellowstone MT	\$3,517,997,887	147,972	\$23,774.75	1.31
Carbon MT	\$92,873,650	10,078	\$9,215.48	0.50

Figure 15: Regional Retail Sales Pull Factors. Source: Claritas, US Census.

The data is shown for Sheridan and the six-county regional trade area. A pull factor figure greater than 1.0 suggests the area is pulling in sales beyond the customer base that lives within the respective area. A factor less than 1.0 means that the community is losing sales to areas outside.

At 1.46, The City of Sheridan has a high pull factor, indicating once again that it is pulling in retail sales from a large region. This means that Sheridan is experiencing about 1.46 times the amount of retail sales typical in Wyoming. In fact, Sheridan's pull factor is above any of the counties in the eight-county regional trade area, including Yellowstone County Montana. Of the counties within the region, Sheridan, Campbell (Gillette), and Yellowstone (Billings), have a pull factor higher than 1.0.

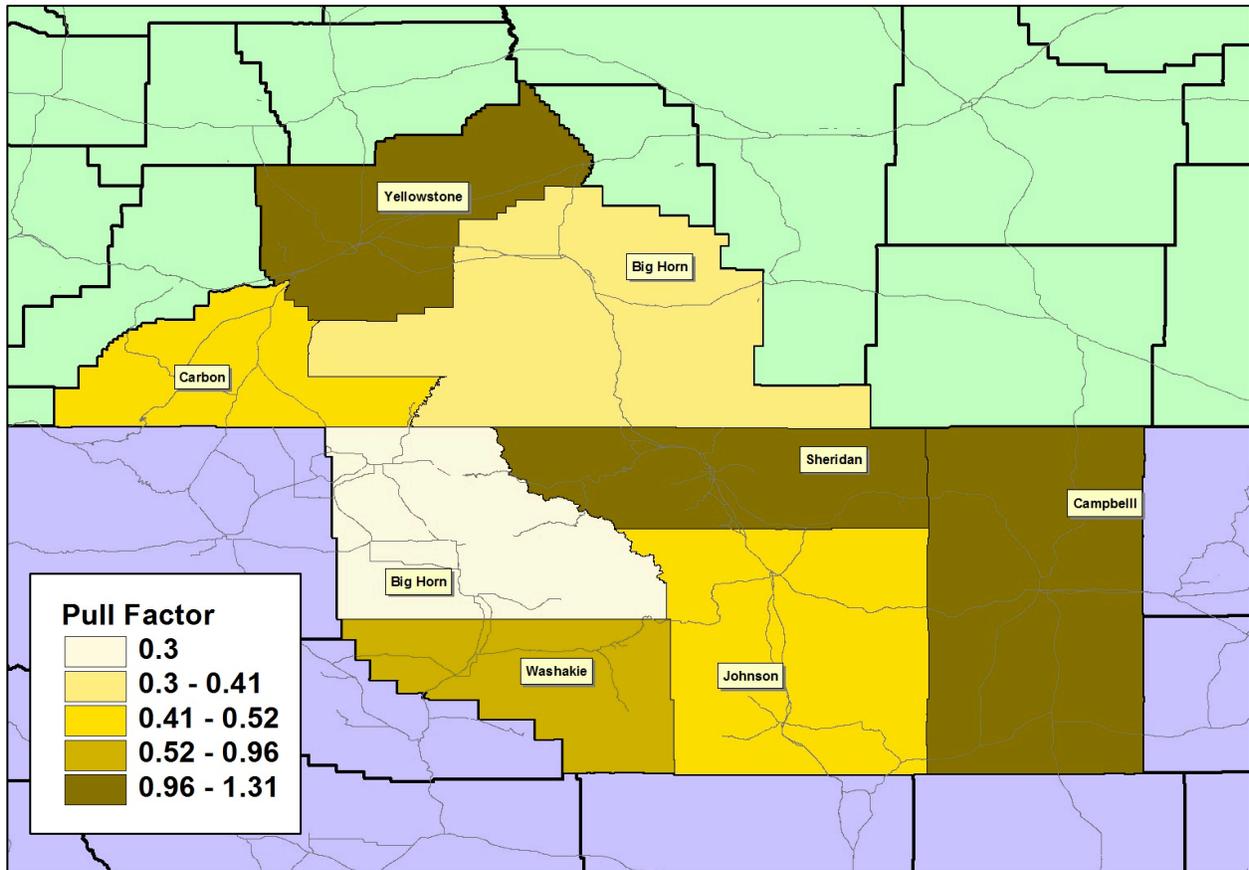


Figure 16: Regional Retail Sales Pull Factors. Source: Claritas, US Census.

## Conclusions of the Retail Analysis

Based on the retail leakage, space demand and shares analyses, the categories listed below show the most opportunity in Sheridan.

- **Clothing** – Within Sheridan’s combined primary and secondary trade area, there is leakage (demand) of about \$19 million. In the conservative capture scenario, this translates to approximately 12,000 square feet of space demand. As a frame of reference, a typical Old Navy store is around 14,000 square feet, while independent downtown clothing stores can be as small as 2,500 square feet. Most all categories show demand (women’s, children’s, etc), but most demand is in the “family clothing” category. Within the six-county region (including Billings and Gillette), there is still significant demand for clothing stores.
- **Grocery & Food** – Similarly, grocery stores show a combined leakage of \$31 million. This demand increases as we look in the larger six-county region meaning it is not met in the larger area. The local trade area leakage translates to demand of approximately 11,600 square feet of grocery store space. As a point of reference, a typical Safeway type product is about 35,000 square feet, so there does not appear to be enough demand for a new store outright. It should be noted that grocery store sales from the Walmart Supercenter is attributed to the “general merchandising” category of business, and likely serves much of the “demand” identified here. However, there does appear to be potential for smaller, specialty type of grocery that could include fresh produce, meats, bakery, and even wine shops. This is particularly the case if the businesses are able to attract business from the larger rural region.
- **Restaurants** – There is a leakage of \$15 million in the local trade areas, equating to about 11,000 square feet of demand. The vast majority of this demand (\$13 million) is in “limited service”. As we look at the larger region, there is continued demand for both full and limited service offerings in each county with the exception of Yellowstone. Still, while Billings is drawing consumers in with the restaurant category, it falls short of the demand within the six-county region.

Overall, there does appear to be demand for additional restaurants in Sheridan, and particularly downtown. However, it should be noted that just because there is demand, does not mean that any restaurant would be successful. Restaurants in particular are one of the most difficult independent businesses to operate, and depend on strong business planning and competent operators. Given the level of demand and stakeholders interest in an improved variety of restaurant openings, it is important that new restaurants meet a specific need or provide fare that is not currently found in the Sheridan market.

- **Health & Personal Care (pharmacy)** – There is a combined demand in this category of 7,000 square feet. While a typical standalone operation can be upwards of 11,000 square feet, there is still likely demand for expansion of existing downtown pharmacy, or other personal care business.

- **Specialty Retail** - There are a number of specialty retail categories showing varying levels of demand. These categories are all suitable for downtown, whether it be an expansion of an existing business, or the recruitment of a new operation. These categories include:
  - **Shoes** - 3,500 square feet of demand
  - **Hobby & Craft** – 4,500 Sq. Ft.
  - **Furniture & Home Furnishings** – 2,500 Sq. Ft.
  - **Women’s Accessory** – 2,400 Sq. Ft.
  - **Jewelry** – 1,700 Sq. Ft.
  - **Books** – 1,500 Sq. Ft.
  - **Gift** – 1,500 Sq. Ft.
  
- **Regional Demand** – Finally, Sheridan exists as an economic center of a large rural region, and therefore likely pulls in customers from outside of its immediate local trade areas. Several categories show opportunity within the expanded region:
  - **Antiques**
  - **Restaurants**
  - **Specialty** (books, hobby, gifts, jewelry, shoes)
  - **Family Clothing**
  - **Grocery & Food**

## 4.0 Demographics and Market Segmentation

In this section, we will look at the demographic makeup of Sheridan and its trade areas, first by comparing trade area demographics to the region, and then by looking at the specific demographic and consumer characteristics of the various segments of the market.

### 4.1 Demographic Snapshot

The following charts compare population and income levels for Sheridan’s trade areas with the larger region. For the purposes of this analysis, Sheridan is compared to nearby zip codes, Sheridan County, as well as adjacent counties and cities. In each chart, the City of Sheridan is shown in red, the primary trade area in orange, and the secondary trade area in purple.

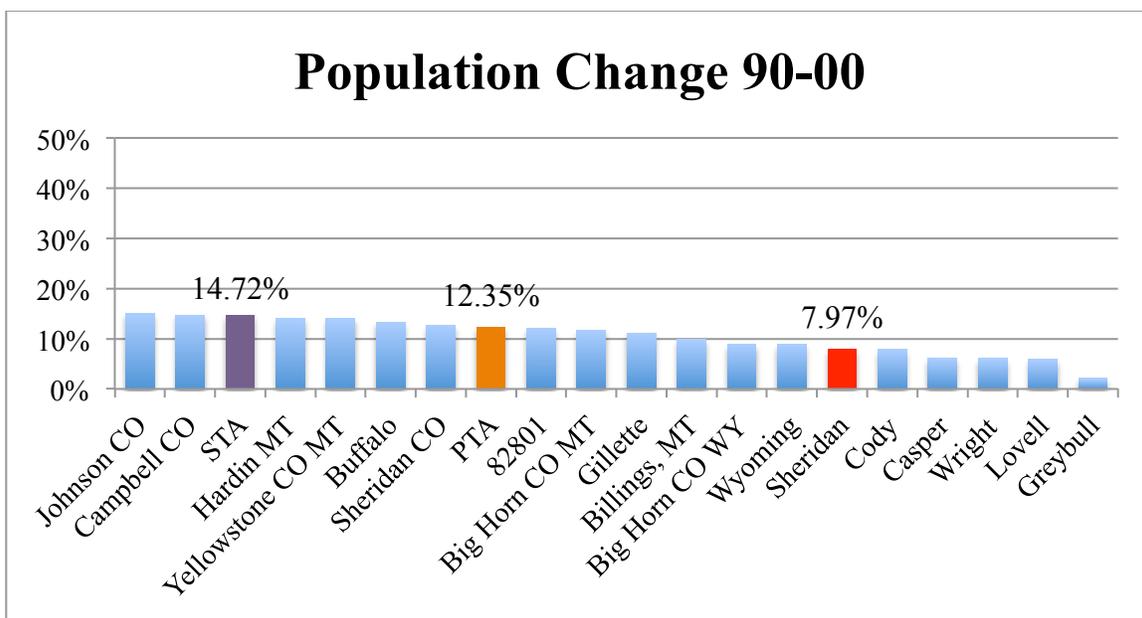


Figure 17: Regional Population Change 1990-2000. Source: Claritas Inc. US Census.

- The region experienced a significant amount of growth between 1990 and 2000, with Johnson and Campbell Counties growing at the fastest rate.
- During this time period, the City of Sheridan grew by just under 9%, while its primary and secondary trade areas grew by 12.35% and 14.72% respectively.

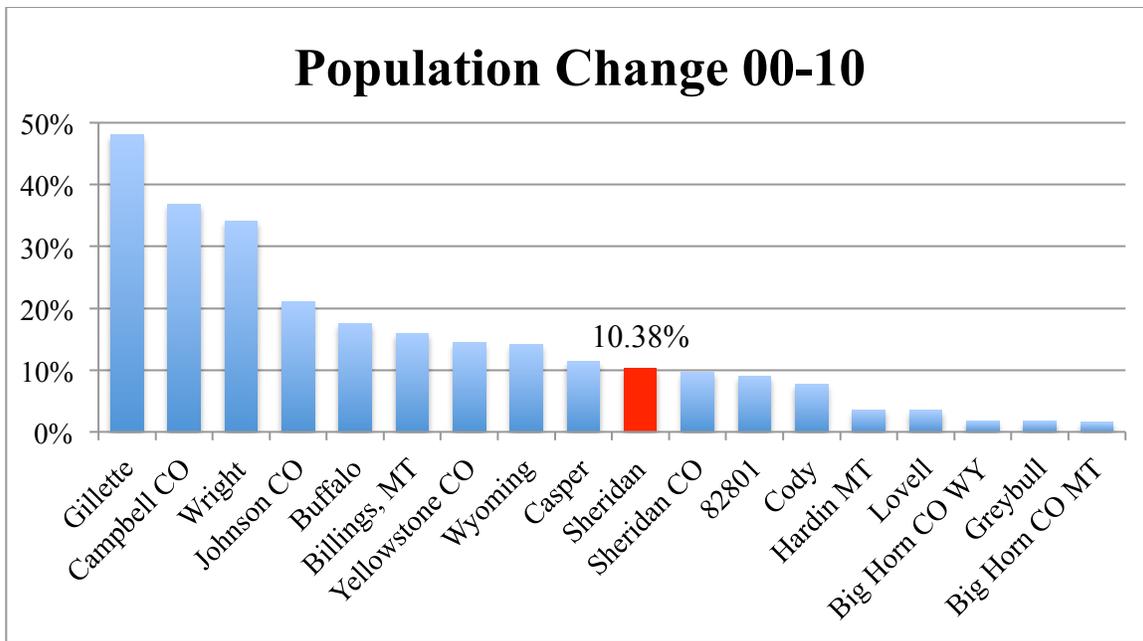


Figure 18: Population Changes estimated from 2000 to 2010. Source: Claritas, Inc.

- Between 2000 and the most recent census, the region continued to grow by an even greater rate than the previous decade. Gillette grew the fastest at 48%, followed by Campbell County at 37%.
- The City of Sheridan grew by 10.38% during this time, outpacing Sheridan County at 9.62%. While the County did grow by a healthy rate, it was slower growth than the previous decade.

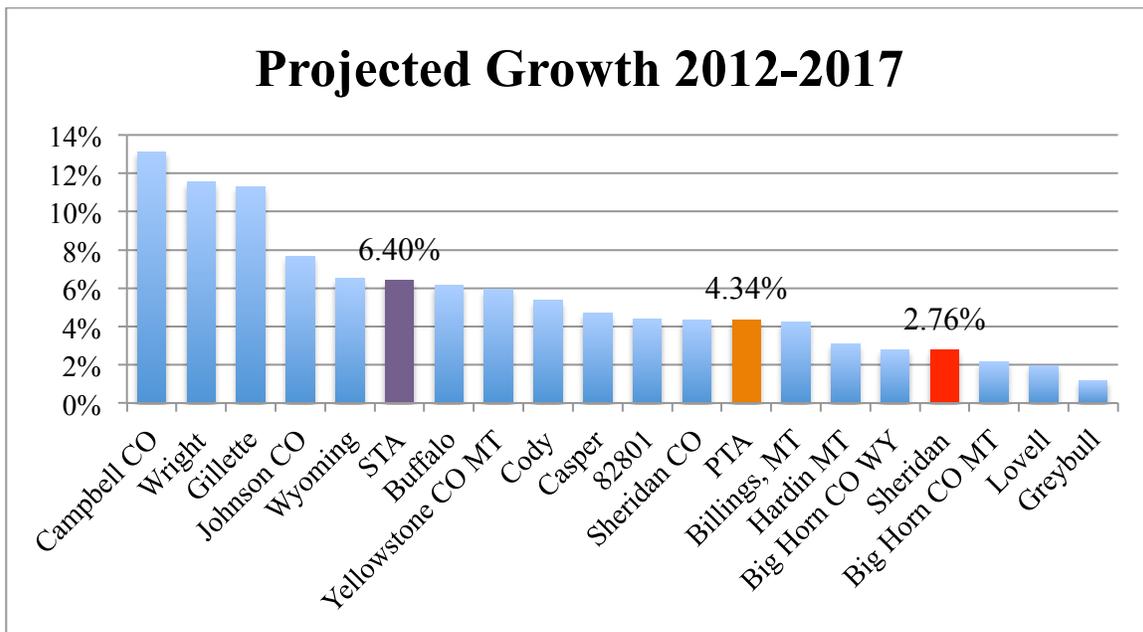


Figure 19: Population projections from 2010 to 2015. Source: Claritas, Inc.

- 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%.

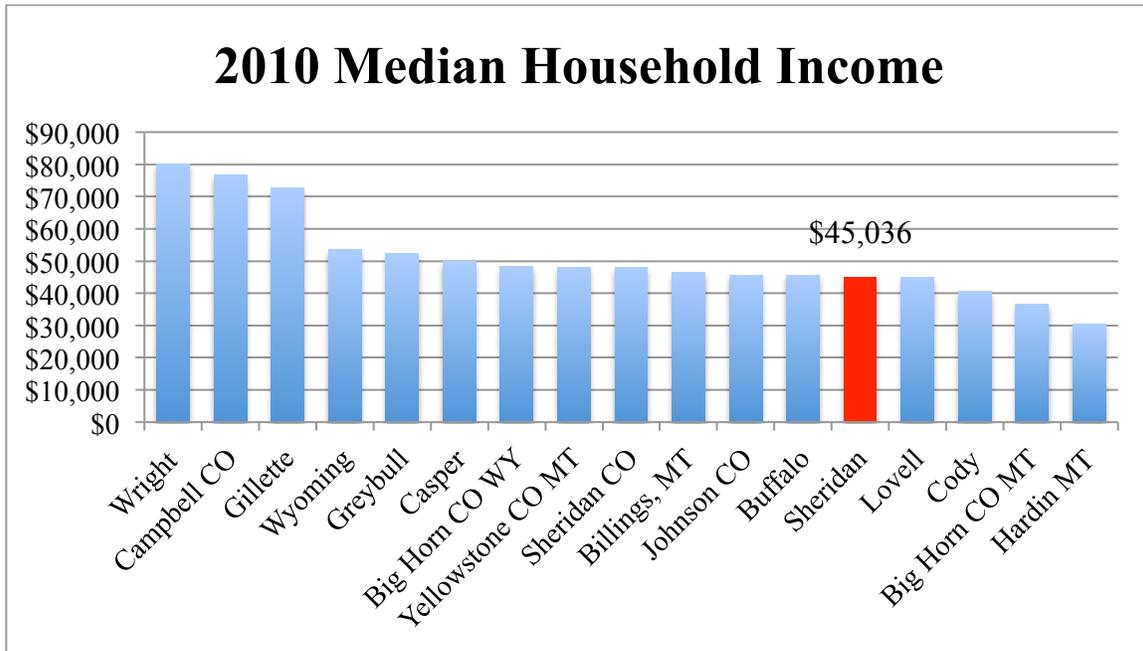


Figure 20: Median Household Income 2010. Source: Claritas, Inc.

- 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.

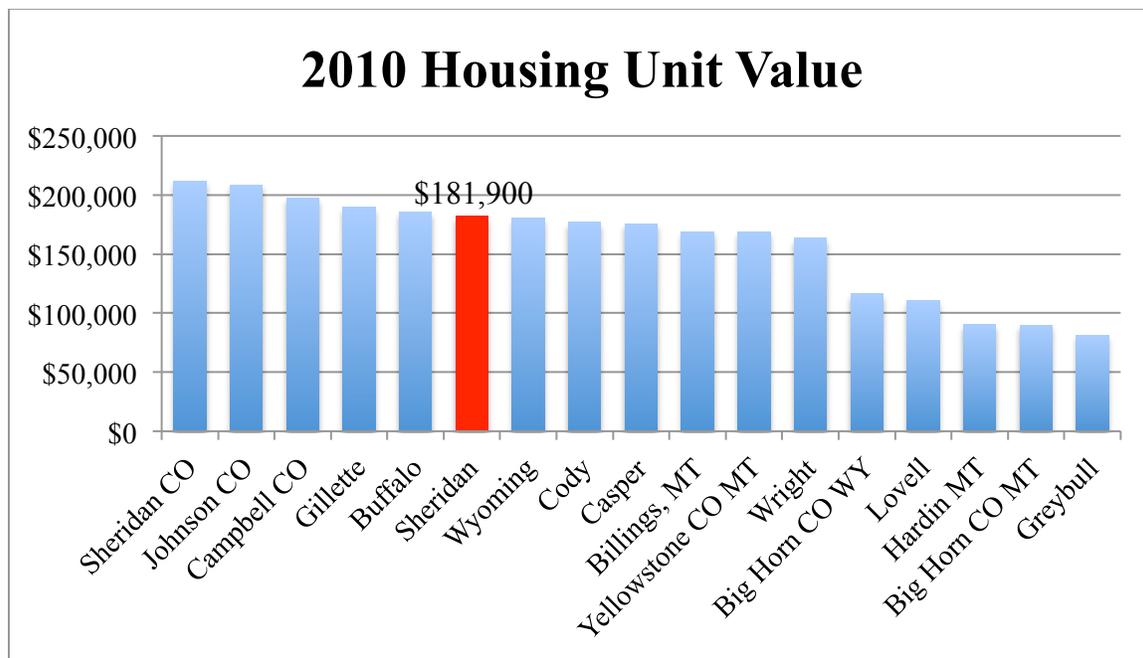


Figure 21: 2010 Median Home Value. Source: Claritas, Inc.

- 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.

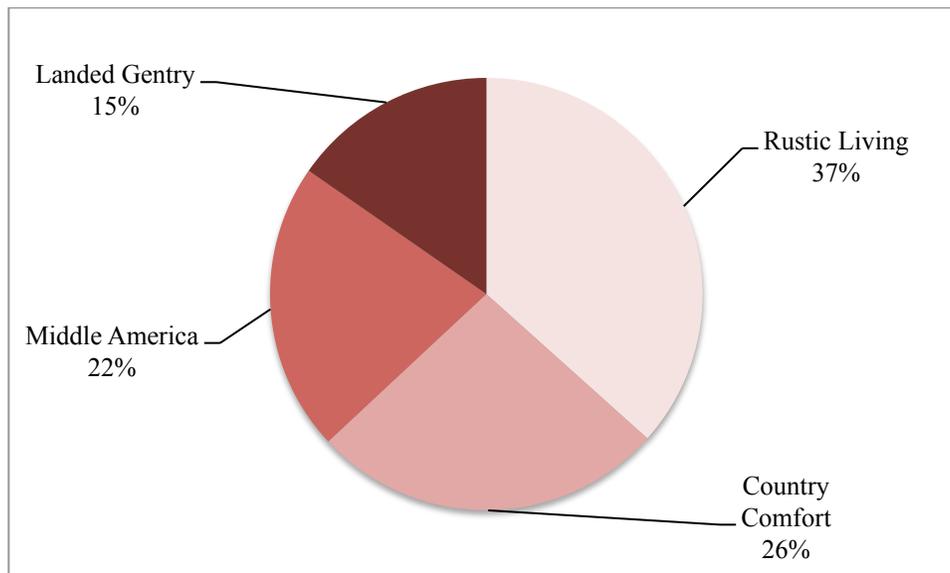


Figure 22: Urbanization & Social Group Categories. Source: Claritas, Inc.

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.”

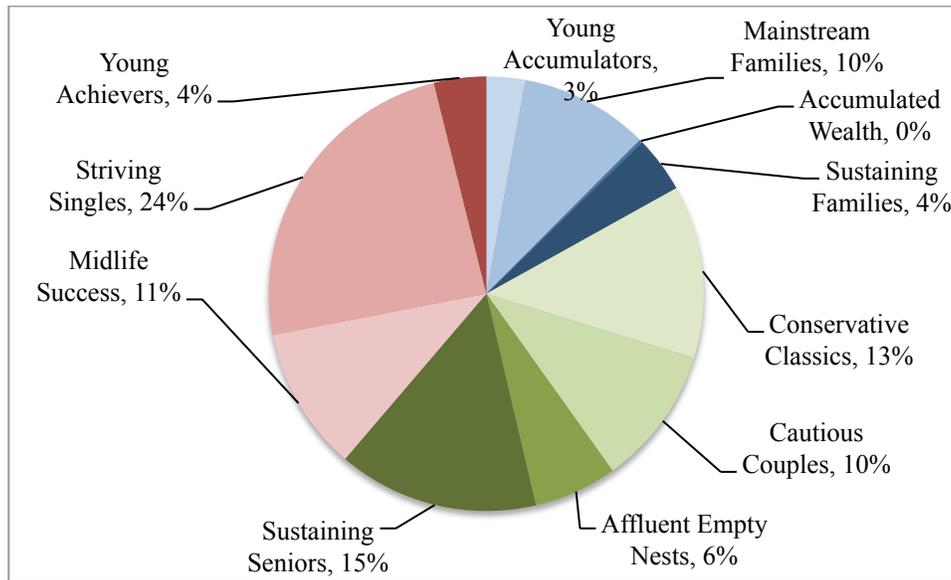


Figure 23: Life Stage Categories. Source: Claritas, Inc.

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.

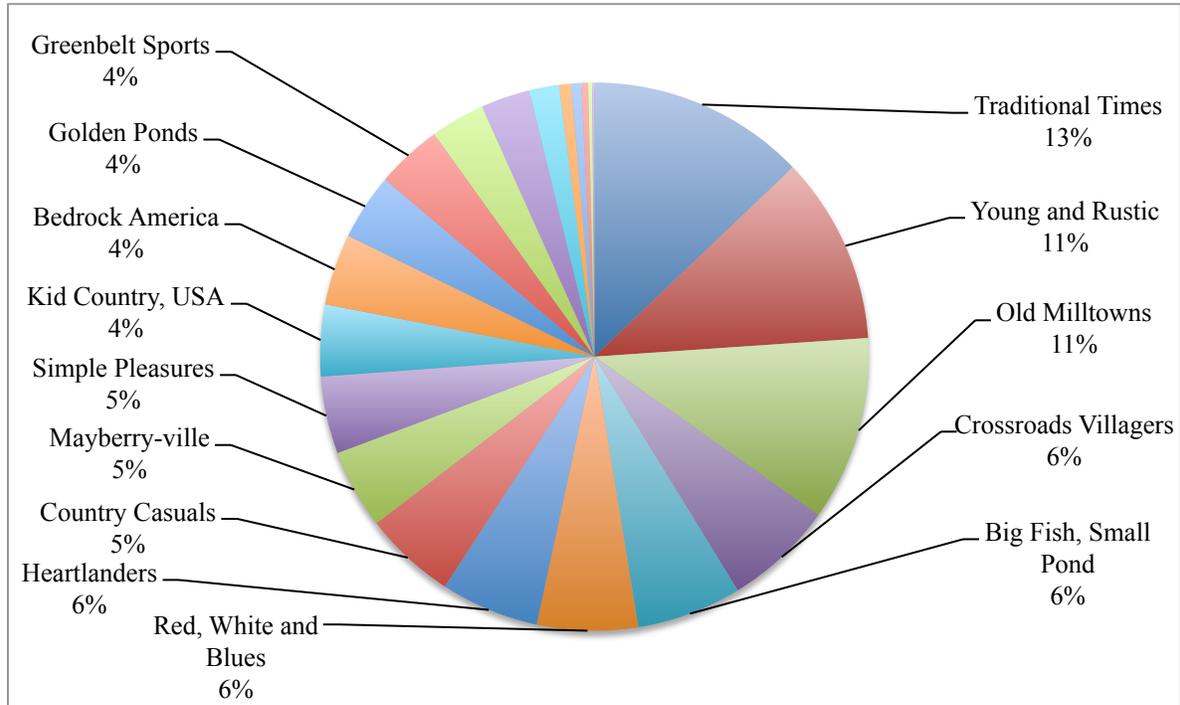


Figure 24: Segmentation Subcategories. Source: Claritas, Inc.

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.

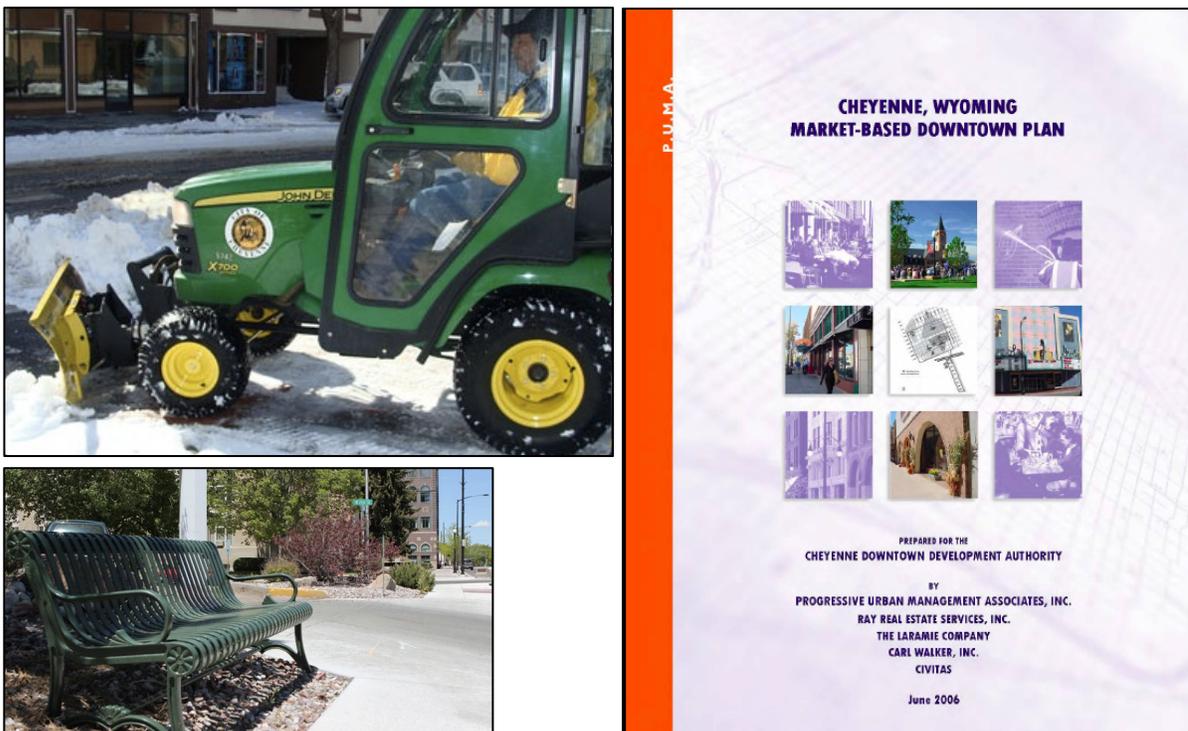


Figure 26: Cheyenne DDA Projects. Photo source: [www.downtowncheyenne.com](http://www.downtowncheyenne.com)

- **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.

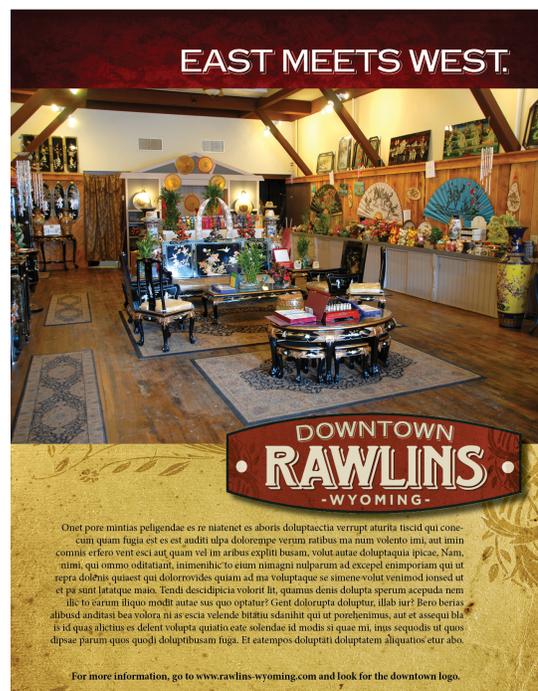
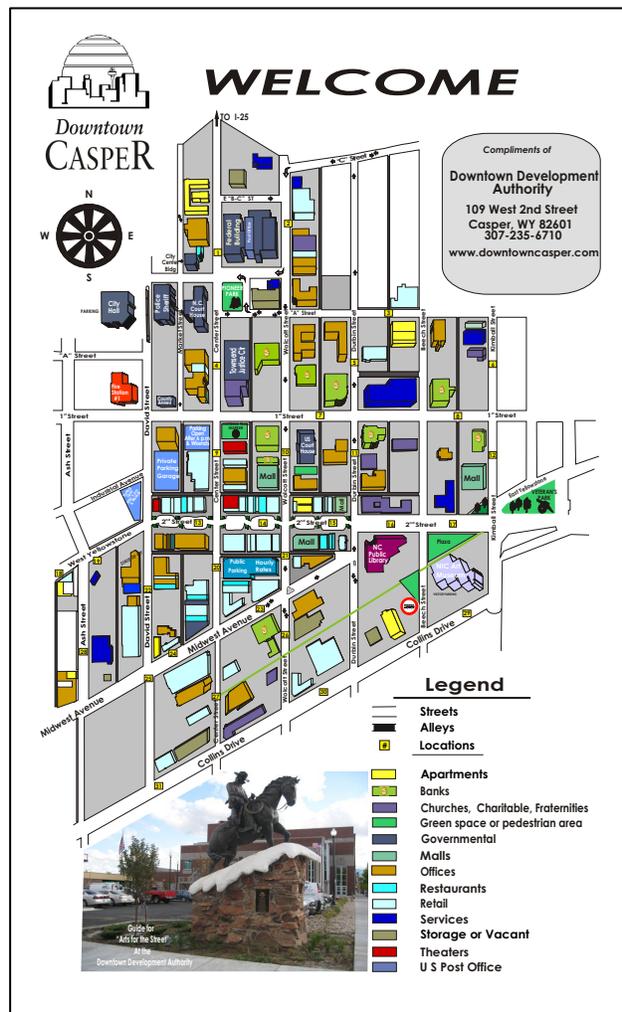


Figure 28: Community Branding and Marketing collateral for Rawlins DDA/Main Street.

- **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](http://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.

- Finally, all stakeholders that were approached felt that if a DDA were to have support in Sheridan, this plan must:
  - Clearly define what properties are in and what are out.
  - Provide detail on impacts and costs to individual property owners, particularly if an assessment were to be pursued.
  - Specify and quantify those projects that the DDA would pursue.

## 7.2 Downtown Sheridan Association – DSA/SDDA Structure

The recommendations of the 2010 DEDS plan for the structure of potential DDA in Sheridan are sound. Based on the past successes of the Downtown Sheridan Association staging events and providing marketing activities, the 2010 plan recommended that a “re-engineered” organization could evolve to include downtown economic development and parking management. This new entity would result in a better model for creating a sustainable downtown.

The structure below is based on the recommendations of the 2010 strategy, and redefined based the 2012 assessment as well as public involvement. This model favorably addresses each of the concerns mentioned above.

### ***Board make up***

- The Sheridan Downtown Development Authority (SDDA) would be a five-member board. Members would be recommended by the Board of the DSA, and appointed by City Council. One member would be a City Councilor, and the remaining four members would have an interest (live, own, lease) in downtown.
- Members would serve staggered 4-year terms and would be eligible for reappointment.
- One member of the SDDA board would be a voting member and liaison to the DSA board.

***SDDA Relationships with DSA*** – In effect, the management of Downtown Sheridan would occur through a partnership of the DSA and SDDA as outlined below:

- The DSA and its board would continue to be the working board responsible for implementing the work plan for downtown.
- The four DSA committees would continue to focus on Design, Promotion, Business Development, and Organization.
- A fifth committee would be established as the Economic Development Committee. The SDDA would serve as this committee, ultimately serving providing development and parking management functions for downtown. It would also be responsible for managing the funding of any tax increment financing programming.
- The individual work plans of the four committees would be enhanced with the relevant tasks in the downtown work plan later in this report.
- This DSA/SDDA model would function as the Downtown Sheridan Association, and share executive staff as outlined in the flow chart below.



Figure 30: Downtown Sheridan Association Structure.

**Relationships with City of Sheridan**

- City Council appoints SDDA Board.
- Service agreement made between the SDDA and City.

**Other**

- The Downtown Sheridan DDA will adopt By Laws and Rules of Procedure based on the requirement of Wyoming State Statutes.
- After following procedures set forth in Wyoming Statutes 15-9-204, Sheridan City Council could adopt an ordinance establishing the SDDA and its district.

### 7.3 Downtown Sheridan District Boundary

The boundary for Downtown would remain that as currently designated by the DSA. Ultimately, the City Council would have to establish by ordinance the boundary below along with the SDDA.

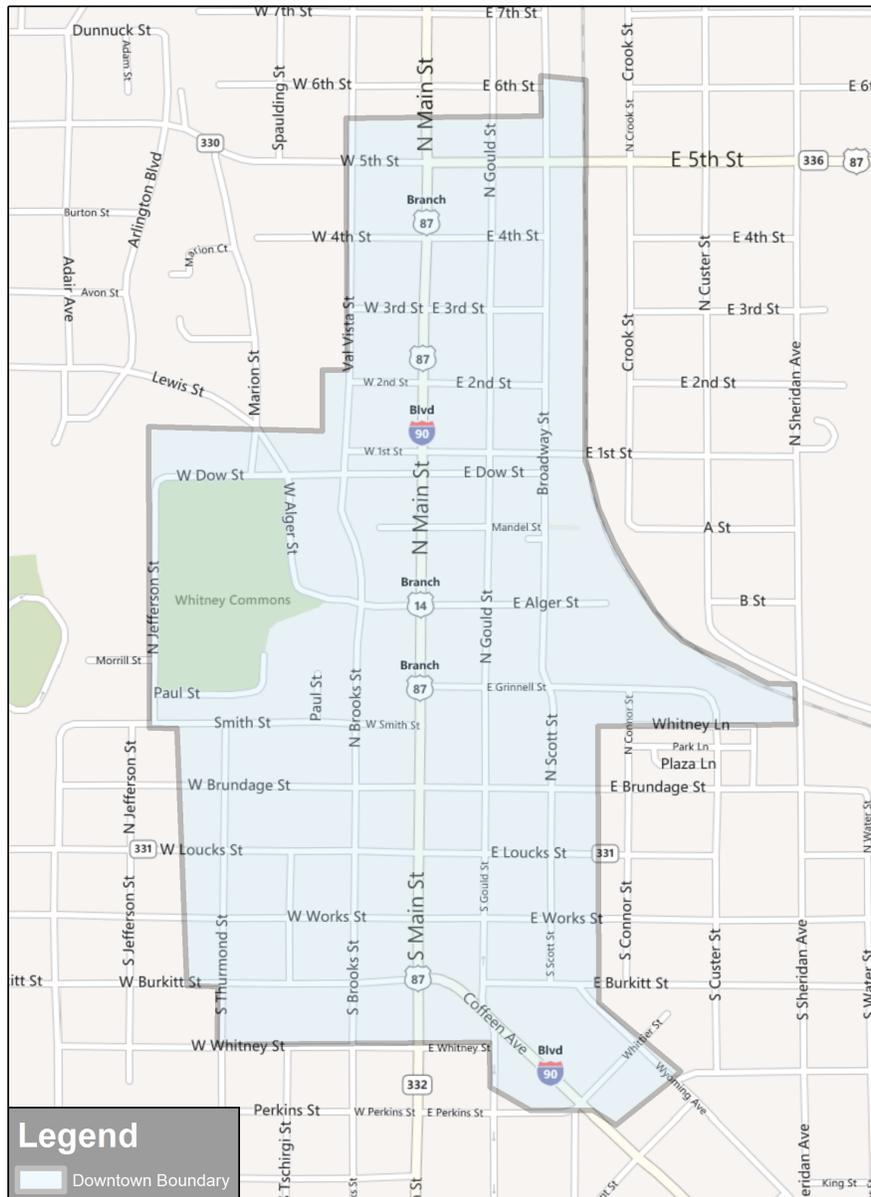


Figure 31: Downtown Sheridan District Boundary.

During the stakeholder process, there was discussion about whether or not to include the North Main corridor, extending the downtown district north to the Interstate. This would result in a massive district that would be difficult to manage. More importantly, North Main and Downtown have very different land uses, development patterns, and infrastructure needs. The North Main Area is better suited to be declared its own urban renewal agency, where a separate entity can focus on its specific challenges and revitalization needs.

### 7.4 Downtown Sheridan Projects

During various steering committee meetings, stakeholder interviews, and public meetings, a number of project priorities were identified. These projects are ones that are not currently being addressed or need expansion. For the most part, these are capital projects that would require a Downtown Development Authority in order to accomplish. They are outlined below including estimated costs and potential funding. Each is inserted in the Downtown Work Plan in the next chapter.

#### Potential Downtown Sheridan Projects

MAINTENANCE/APPEARANCE		Costs	Term	Funding	Notes	
1	Sidewalk Cleaning	Snow removal and litter control	\$ TBD	short	Operational/TIF	Similar to Cheyenne's Clean & Safe
2	Street Decorations	Restock Christmas Lights, flowers, banners, etc	\$ 5k +/yr	short	Operational/TIF	Appropriate annual amount. Ongoing
PHYSICAL - Public						
3	Wayfinding Signage	branded signage system, trailblazers, parking, gateways	\$ 35k +	short/mid	TIF/Operational	Phased. 20-30 signs
4	New Parking	enforced parking restrictions, strategically located lots	\$ TBD	long	TIF	Development Plan
5	Stream Restoration	Concrete chutes	\$ TBD	long	TIF	Development Plan
6	Skateboarding Park	In or near downtown to bring activity and youth into core	\$ TBD	long	TIF/Grants	Grants
7	Streetscape Improvements	Maintain & improve streetscape on Main, cross streets	\$ 15k +	short/ongoing	TIF/Operational	Maintenance/Dev. Plan
PRIVATE SECTOR						
8	Facade Improvements	Low-interest loan program	\$ N/A	short	Private	Partnerships w/local banks
9	Sheridan Inn	Property Acquisition/Dev. Partnership. Assisting in the Inn's upgrade and presence	\$ TBD	mid/long	Operational/Grants/Private/TIF	phasing depends on private sector
10	Dan's Western Wear	Property Acquisition/Dev. Partnership. Building improvements, upgrade for lease or sale	\$ TBD	mid/long	Operational/Grants/Private/TIF	phasing depends on private sector
11	Fire Suppression & Safety	Improvements to downtown buildings	\$ TBD	mid	Grants	CBDG, other
12	Market Research/Market Assistance	This plan, incentives for marketing	\$ 5k	short	Operational	Updates to market research. Grant.
13	E-commerce	Training services for existing businesses	\$ 10k +	mid	Operational	Consultant
MARKETING						
14	Marketing/Promotions	Getting word out about downtown Sheridan & DSA	\$ 10-15k/yr	short	Operational	\$300 budgeted in 2012
15	Kiosks	Expand Kiosk system	\$ 5 -10k	mid	Operational	Likely part of comprehensive wayfinding
16	Interstate Marquee Sign	Display on I-90 to advertise Sheridan events, up-to-date	\$ TBD	mid/long	Operational	
17	Street Festivals	Expand 3rd Thursday to every Thursday, rotating sites, strategic promotion of business	\$ 3k +	mid	Operational	
18	Billboard	I-90 billboard outside of town promoting Sheridan, downtown.	\$ 12k +	mid	Operational	Annual rent. Initial design. Cost varies.
19	Business Recruitment/Retention	Ongoing recruitment services, marketing, incentives	\$ 10k +/yr	short/ongoing	Operational/Grants	

**Notes**

Cost estimates are based on projects in other communities. Several would be determined through a planning or design process. Primary budget currently comes from City/County appropriations, membership, fundraising events. Some projects would require funding outside of annual budgets or TIF. This could include grants, additional appropriations.

Figure 32: Potential Downtown Projects

The projects above are priority projects. Most are not currently being implemented, and therefore funding would have to be secured above and beyond the existing budget. Many would rely on TIF monies and potential bonding from TIF. Others would require additional operational income such as appropriations, fundraising, and membership, if they were to be added into the Downtown Work Plan.

## 7.5 Downtown Sheridan Funding

The Sheridan DDA would **NOT assess a special levy on private property**. Similarly, the SDDA would not propose an additional tax to property owners, business owners, or consumers.

Rather, funding for Downtown Sheridan projects and programming would come from two primary areas: Tax Increment Financing proceeds and general operational funds. As stated previously, TIF funding could be used primarily for capital projects such as parking improvements, streetscape, stream restoration, etc. TIF monies would accrue over time, and be used to fund individual projects or retire debt on TIF bonds. Either way, projects requiring TIF would be mid to long-term tasks or phased over time.

General operational monies would include City and County appropriations, fundraising events, and membership dues. It should be noted that for any new project requiring operational monies, additional funding sources would have to be raised. This is how the Downtown Sheridan Association currently operates. For example, this Downtown Sheridan Business Plan was not a line item in the DSA's budget, but has utilized resources secured through grants and City appropriations.

### Downtown Sheridan Budget

For this section, the annual budget for the downtown management structure (DSA/SDDA) will be estimated based on current year budget and additional projects as identified above. Downtown Sheridan Association currently operations on a fixed budget where expenses meet the annual income levels. Over the past three years, the DSA budget has been decreased by over 35% in total. The DSA in turn had to cut back on projects and programming by the same amount. If new projects and programming are added, additional funding must be identified.

Estimated Annual Budgets for Partnership					
Income	FY 2012	Year 1	Year 2	Year 3	Notes
Appropriations	\$ 36,700	\$ 36,700	\$ 36,700	\$ 36,700	City and County
Membership Dues	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	
Events	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	Various
Fundraising	\$ 38,970	\$ 38,970	\$ 38,970	\$ 38,970	Wine Festival, other fund raising event
Other	\$ 300	\$ 300	\$ 300	\$ 300	
<b>Additional</b>	<b>-</b>	<b>\$ 37,000</b>	<b>\$ 84,500</b>	<b>\$ 109,006</b>	<b>TIF, Appropriations, Grants, Fundraising</b>
<b>Total Income</b>	<b>\$ 99,470</b>	<b>\$ 136,470</b>	<b>\$ 183,970</b>	<b>\$ 208,476</b>	
Expenses	FY 2012	Year 1	Year 2	Year 3	Notes
Overhead, etc	\$ 4,690	\$ 4,690	\$ 4,690	\$ 4,690	Fees, Rent, Utilities, Building
Professional Services	\$ 4,155	\$ 4,155	\$ 4,155	\$ 4,155	Account, Legal, Insurance
Payroll	\$ 65,300	\$ 65,300	\$ 65,300	\$ 65,300	Staff, Payroll taxes, benefits
Marketing	\$ 300	\$ 300	\$ 300	\$ 300	
Office Expenses	\$ 3,150	\$ 3,150	\$ 3,150	\$ 3,150	Equipment, supplies, printing, postage
Events	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	Farmers Market & Wine Festival
Meetings/Professional Dev.	\$ 4,150	\$ 4,150	\$ 4,150	\$ 4,150	Board meetings, retreat, annual, monthly
Projects	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	Flower Project wages & Supplies
Misc	\$ 725	\$ 725	\$ 725	\$ 725	Dues/subscriptions/contributions
<b>Marketing</b>	<b>-</b>	<b>\$ 5,000</b>	<b>\$ 24,500</b>	<b>\$ 27,000</b>	<b>Promotion, Kiosks, Signs</b>
<b>Business Support</b>	<b>-</b>	<b>\$ 17,000</b>	<b>\$ 17,000</b>	<b>\$ 17,000</b>	<b>Market research, Training, Business recruitment</b>
<b>Events</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 6</b>	<b>Expanding regular events</b>
<b>Projects</b>	<b>-</b>	<b>\$ 15,000</b>	<b>\$ 40,000</b>	<b>\$ 65,000</b>	<b>Sidewalk cleaning, wayfinding, streetscape*</b>
<b>Total Expenses</b>	<b>\$ 99,470</b>	<b>\$ 136,470</b>	<b>\$ 183,970</b>	<b>\$ 208,476</b>	

#### Notes

Items in blue do not currently exist, but represent expenditures and income needed to complete projects identified in the previous section. Many of the projects would be phased over time, and would require TIF monies, which would have to accumulate. A number of project identified in the previous project list do not have costs associated with them and would be TBD.

The chart above shows an annual increase in expenses based on the downtown projects previously listed. The increases are due to both phased projects, as well as the need for TIF monies to accumulate. There is a corresponding increase in income that would have to be made up to implement the additional projects. Some of this money could come from TIF, while the remainder would come from additional appropriations, grants or fundraising.

Also, the estimates above do not take into account any increases in overhead, payroll, general office expenditures, etc. However, it is very likely that these costs would change over time, some increasing and others decreasing.

**Tax Increment Financing (TIF)**

Tax increment financing is an innovative funding tool that allows a community to pay for capital projects within a geographic district. It is not a new tax, but rather a mechanism that captures new tax revenue from a growing tax base, and reinvests it in the designated area. In Wyoming, a community is permitted to capture property tax, sales tax, or both. As the district naturally grows through a new building being built (property) or more business occurs (sales), the tax base increases as well.

When a TIF district is created, the total tax base is calculated. That taxes on that initial base would continue to be distributed as they normally would be. As the district grows in value over time, the additional taxes (increment) above the initial base value would then be used to pay for public projects within a district or retire bonds for public projects. For example, say a designated district has an initial assessed property value of \$100,000. Over time, a new building is constructed with the district raises the assessed value to \$150,000. The property tax collected from the initial \$100,000 continues to go to the city, county, schools, etc. However, the taxes from the additional \$50,000 (increment) is used to pay for public projects within the district. The same scenario would apply to sales taxes.

There is currently only one TIF district in Wyoming, a sales tax based TIF in Casper. That particular district is quite successful, and generates upwards of \$500,000 each year. A sales tax based TIF has the ability to generate more revenue in a downtown district than property tax, as growth in commerce would generally outpace new development. It also allows a community like Sheridan to capture tax revenue that comes from outside the community in the form of sales generated from downtown’s strong visitor base.

It is for this and other reasons that a sales tax based TIF is recommended for downtown Sheridan. A general estimate for how increment could grow in Downtown Sheridan is shown below.

Potential Sales Tax Growth	Initial est.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10
Taxes generated (City portion)	\$ 333,000	\$ 339,660	\$ 346,453	\$ 353,382	\$ 360,450	\$ 367,659	\$ 405,925
2% Increment	-	\$ 6,660	\$ 13,453	\$ 20,382	\$ 27,450	\$ 34,659	\$ 72,925
Taxes generated (City portion)	\$ 333,000	\$ 349,650	\$ 367,133	\$ 385,489	\$ 404,764	\$ 425,002	\$ 542,422
5% Increment	-	\$ 16,650	\$ 34,133	\$ 52,489	\$ 71,764	\$ 92,002	\$ 209,422

These rough estimates are based on a number of assumptions:

- The total state sales tax returned to the City of Sheridan in 2011 was approximately \$7.3 million. Of that, approximately \$3.33 million was the local municipal share (excluding local options).
- It was assumed that the downtown's portion was approximately 10% of that, or \$333,000.
- Between 2008 and 2011, sales tax collections reported by the Wyoming Department of Revenue have decreased in the City of Sheridan. The largest year-over-year decrease was -15% between 2009 and 2010.
- While there is only one year of data, it appears that this trend has reversed. For the majority of FY2012, sales tax collections in the City of Sheridan increased by 5% over 2011. Note: in September 2011 (FY 12), a sales and use tax audit for 2006-2008 resulted in a correction and negative distribution in Sheridan County. The September figure is an adjustment from previous years, so the 5% increase in sales tax mentioned here excludes the month of September in both FY 11 and FY 12.
- The projected increment in the chart above presents two scenarios: a slow 2% year over year increase and a 5% increase based on the FY11 to FY12 change.

The numbers presented above are rough estimates for illustrating the potential of a TIF district in Sheridan. Actual sales tax revenues would be gathered during the process of establishing a potential sales tax based TIF. Most importantly however is the fact that Sheridan's retail sales tax numbers mirror national trends related to consumer confidence and retail sales during the recent recession. Also like national trends, the year over year change from 2011 to 2012 seems to suggest that that Sheridan has rounded the corner in terms of the stability of its retail market. Prior to fiscal year 2012, there were three consecutive years of decline. Coming out of the national recession, if Sheridan were to create a TIF now, there is greater potential for growth in sales tax increment.

For these reasons, it is recommended that Sheridan pursue a TIF district. In doing so, there are a number of other considerations:

- Establishing a TIF would require a process separate from establishing the SDDA, although a DDA is necessary to create a TIF. In order to establish a TIF, the SDDA would have to create a plan of development. The plan of development would, among other things, outline specific projects to be funded by the TIF, project increase in increment, and detail the terms of payments and bond issues.
- In order for Sheridan to issue bonds to be paid by TIF revenues, it would have to be approved by the electors of the City of Sheridan. WY 15-9-207.
- As stated previously, TIF revenues can be used to pay for projects for public benefit. Many of the projects listed previously in this report are not eligible for TIF, so other funding sources would need to be identified for them. In order to use TIF for a particular project, that project would have to be detailed in the approved plan of development.

## 8.0 Downtown Work Plan

The recommendations presented below are intended to enhance the business environment and in downtown Sheridan. They build off of the stakeholder input as well as the comprehensive market analysis that identified retail and business opportunity in downtown and its trade areas. The overall tasks are organized into four core strategic areas including:

1. **Business Development**
2. **Economic Development Market Positioning**
3. **Projects**
4. **Organizational Capacity**

For each area, specific tasks are presented as short, medium, and long-term implementation actions. All recommendations are summarized in the strategy board that follows.

### 8.1 Business Development

These tasks would be 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.

#### Action Strategies:

##### First Steps – 2012-2013

- **Recruit businesses based on the potential identified in the market analysis:** There are specific businesses that offer demand within Sheridan's primary and secondary trade area. The six-county region also shows opportunity for growth in Sheridan. Downtown Sheridan should not limit its recruitment strategies to just those businesses that show demand, but it should use the data provided here to help it target those businesses that are needed. These business types have the potential for performing well while also serving an unmet need. The numbers show true demand and opportunity.
- **Downtown Sheridan Association should manage this market research and be the one-stop shop for economic development in downtown.** Many of the recommendations of this report are geared towards DSA becoming the economic development entity specifically for downtown. Managing the market research in this report as well as data collected through other means is the first step. The DSA can:
  - **Make data readily available to existing and potential businesses:** The market analysis provides data that will be relevant to existing and potential business owners, as well as developers and property owners. The information included in this report should be made readily available to all interested parties. Similarly, the DSA should provide the market research to Forward Sheridan, Wyoming Business Council any other partner agency that practices economic development.

- **Create a database of available property:** Downtown Sheridan should build a database of all available properties including size, zoning, lease rates, price, utilities, and condition. The database should be updated regularly, and made available online as well as a component of a business recruitment package.
- **Create a micro-enterprise program, beginning with a low-interest revolving loan for new and existing businesses.** Downtown Sheridan exists within a competitive market. This is particularly the case when a new business is looking to locate in the community. Much like a county-level economic development agency often does, Sheridan should look to incent a new or expanding business to locate downtown. This would include providing start-ups with access to capital or services that can help them get off the ground. The beginning of such a program could be a small-business, low-interest loan program which could be accomplished in two ways:
  - **Partner with local banks to create a low-interest loan pool** – Federal law requires banks to reinvest in their communities. A number of downtown programs have found success in approaching local banks to create a loan-pool for small business. Having multiple banks contribute to the program reduces overall risk, which can be critical in today’s lending environment. The DSA could coordinate and help manage the program.
  - **Create revolving loan program** – A similar task could be a revolving loan established and facilitated by the DSA. This would require an initial infusion of capital, but could provide small, short-term low-interest loans for building improvements. The interest from the loans would be put back into the revolving fund, which would increase over time.
- **Perform quarterly zip code survey for downtown.** The zip code survey conducted for this market analysis provided a snapshot of downtown Sheridan’s customer base. Typically, the market reach in downtowns will change over the course of the year. This is likely the case in Sheridan where the community has a significant visitor market at certain times of the year, while the winter months can prove to be quite slow. The DSA should conduct a similar survey on a quarterly basis. This would not only serve to establish year-round changes in downtown’s market, but also help to compare customer tracking with marketing strategies to evaluate those expenditures. The survey exercise is relatively simple, and could be conducted by the DSA itself or in partnership with Sheridan College.

#### Next Steps – 2014-2015

- **Create Economic Gardening programming to provide business support to small & start-up businesses.** Economic gardening efforts apply traditional methods of recruiting business and industry to entrepreneurial development. By understanding the market and investment opportunities, creating an infrastructure for investment, and facilitating internal networks, a community can help support entrepreneurial investment similar to an industrial authority targeting specific businesses. These practices focus on access to market information, growing businesses from within a community, and concentrating on innovative and high-growth businesses. An overview of economic gardening practices can be found at [www.littlelongov.org/bia/economicgardening](http://www.littlelongov.org/bia/economicgardening) and [www.economicgardening.ning.com](http://www.economicgardening.ning.com).

- **Connect business owners through peer work sessions.** A tenant of economic gardening is connecting entrepreneurs to information, such as the knowledge base of successful Sheridan businesses. Whether it is King Saddlery who has been an anchor in downtown for decades, or recent start-ups like Ptolemy Data Systems, Sheridan has a wealth of successful business from which others can learn. The DSA can coordinate a series of peer work sessions whereby a key business can train others on a particular area where they have the most expertise (marketing, merchandising, business planning, etc.)
- **Provide training services for E-commerce.** A common theme from the stakeholder process was the challenge a Sheridan independent business faces with competition from online retailers. This is a challenge shared in many downtown environments, but a number of successful bricks and mortar independent businesses have found ways to serve their local customer base, while tapping into an online market to enhance their sales and bottom line. The infrastructure for e-commerce is more affordable and more easily managed than ever before, and Downtown Sheridan can coordinate with Sheridan College, or secure the services of a retail consultant, to provide training services for online retailing.
- **Partner with anchor businesses to enhance market research.** In a typical downtown environment, the market research conducted by independent businesses runs the gamut; from simple customer lists kept in written format, to systems that track customer with sophisticated metrics. Sheridan is fortunate to have a number of businesses that do a good job of market research and tracking their customer base. Downtown Sheridan should work with key anchor businesses in downtown to confidentially share market data to track the overall health of downtown. It should select businesses in particular that are key contributors to the success of downtown.
- **Encourage individual market research and provide data for businesses.** Knowledge is key, especially when an independent business is trying to reach a particular customer base or simply needs to know the factors in the changing market. Downtown Sheridan should encourage its independent businesses to conduct their own individual market research. It can do this through the work sessions mentioned above, but also making sure that each business owner is aware of the market information resources that are out there, such as the Wyoming Business Council. Market research services such as Nielsen Claritas are incredible resources, providing demographic, consumer demand, and consumer behavior data for a fee. Individual reports tailored to a specific business or geography can be purchased for as little as fifty dollars, or unlimited reports can be obtained through an annual subscription. Downtown Sheridan could purchase a subscription or partner with another agency for a joint subscription, and provide downtown businesses with access to the data.

**Final Steps – 2016-2020**

- ***Provide incentive program for independent businesses.*** Small business incentives can help grow or recruit independent businesses to a community. Downtown Sheridan should implement a program to provide seed capital for new business through local grants, tax incentives, etc. Small grants could be offered for marketing, signage and awnings, utilities assistance, and even rental subsidies. Criteria for such a program should be developed, including requiring participating businesses that have a legitimate business plan.
- ***Enhance market through the development of upper floor housing.*** One way to grow the customer base for downtown Sheridan would be to recruit new residents. Through the SDDA, downtown Sheridan could partner with private property owners to develop housing product in downtown, or could provide a grant for the development of upper floor housing.

## 8.2 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 also 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.

### Action Strategies:

#### First Steps – 2012-2013

- **Create economic development market position focusing on entrepreneurs, cultural activity, history, and tourism.** The Downtown Sheridan Association has a history of success with business support, programming events, and promotion. As the DSA evolves into a more active economic development entity with the SDDA, it should also expand its promotional efforts by creating an economic development position for downtown. This market position should be based on downtown's key assets, but also be aspirational based on the vision of downtown and what it should become. In other words, when doing economic development marketing, Sheridan should highlight its competitive advantages such as its cluster of successful entrepreneurial businesses, its historic downtown core that is the center of the region's culture and creativity, and strong visitor base enjoyed by downtown and its businesses.

Targeting entrepreneurs in a downtown environment is particularly important as these businesses are looking to grow and be successful. These business owners are much different than those opening up a restaurant or antique store because "they've always wanted to and have access to some disposable income. Entrepreneur businesses are more likely to have stable hours of operations, be able to adapt more strategically to a changing market, and have a dedication to the success of all downtown business.

- **Create a consumer market position focusing on activity, personal service, and quality of life.** Similarly, when projecting a market position to the consumer, downtown Sheridan should highlight its personal service and professional businesses, its active environment created by the variety of businesses and event programming, as well as the enhanced quality of life that downtown affords Sheridan's citizens. In fact, the message of a strong quality of life is where the consumer and economic development positions overlap. For example, if Sheridan is targeting a new industry with fifty or more employees, the vibrant downtown and Sheridan's overall quality of life can help that business owner decide to locate in Sheridan versus one of its competitors.
- **Create marketing plan for downtown, DSA/SDDA.** The Downtown Sheridan Association and the SDDA will continue to be challenged with access to resources and overall capacity. It is therefore critical that it be strategic in all of its endeavors. It should therefore create a long-term marketing strategy that utilizes available resources, but more importantly creates a consistent marketing message built on its economic development and consumer market positions.

- **Target regional market for entrepreneurial development and customer base in an effort to expand its trade areas.** Sheridan exists in the center of a large rural market, but the market analysis indicates that downtown does indeed serve customers from an area outside of its immediate trade areas. Sheridan should always look within to grow businesses and meet the needs of its citizenry, but not neglect that broader region that can be a source of new customers or investors. This is not to be confused with cultivating a broader tourism market, but rather is a strategy to grow downtown's geographic base.
- **Position DSA as responsible party for business development in downtown (information, training, market data).** Ultimately, Downtown Sheridan Association should be known as the "go-to" organization for business development, recruitment, and promotion of downtown. As part of its marketing strategy, it should position itself as the economic development entity for downtown, including informing businesses, consumers, and partner agencies of its mission and work plan. If a potential entrepreneur is looking to invest in downtown, it should know or be made aware that the DSA and SDDA are the source of all of their needs.

#### Next Steps – 2014-2015

- **Create business recruitment package to market downtown as location for investment.** As the Downtown Sheridan Association creates a marketing plan and position for economic development, it should also develop a business recruitment package. This package would contain any materials related to economic development including inserts for demographics and market research, incentive programs, available properties, and target business advertisements. The package should be part of a consistently designed marketing program.
- **Create testimonial ads for downtown businesses.** A key component of this package would be testimonial ads for downtown businesses. These success stories would not only position downtown Sheridan as a place to invest and be prosperous, but also can be used to promote these individual businesses to the Sheridan consumer market.
- **Expand existing street festivals such as 3<sup>rd</sup> Thursday, Farmers Market.** Creating regular event activity is an important part of maintaining the relevance of downtown to the local citizens. DSA currently manages the 3<sup>rd</sup> Thursday event and the Saturday Farmers Market. Ultimately, the DSA should look to expand these events or look to create new, regular activities in downtown. This may even include creating some sort of indoor event activity during the winter months that is specifically designed to highlight local businesses.
- **Visit nearby markets for market research and entrepreneurial recruitment.** Downtown Sheridan should not limit its business recruitment efforts to Sheridan County. Other downtown development organizations have had success in visiting regional competitors to seek out new investors. There may exist businesses in nearby Gillette, Billings, and even Buffalo who may be looking to relocate or expand into a different market. Sheridan can target those businesses that have a track record of success in other communities. This will also help to understand the competitive advantages of those nearby markets and their relevance to downtown Sheridan.

**Final Steps – 2016-2020**

- ***Update market research every four to five years.*** The “market” is always changing whether it is due to national trends or population growth within a region. Therefore, market research is never “complete” and should be updated after a reasonable time frame has passed. It is recommended that Sheridan update the market research compiled in this plan every four to five years.
- ***Facilitate customer preference surveys.*** Similarly, the 2010 DEDS conducted a consumer survey as part of its market research. These consumer preference exercises can also be conducted on a recurring basis of every four to five years. The DSA and SDDA can conduct these updates, providing downtown businesses with access to the data.

### 8.3 Projects

These are specific projects identified by stakeholders and the public that would likely require funding. They relate to parking management and development, beautification and urban design, as well as physical improvements. It is important to note that a number of recommendations below would require a planning and design process before they can be implemented. Also, most of these projects would require a Downtown Development Authority, either because statutes only permit a DDA to perform such a task, or the fact that a DDA would be necessary for funding.

#### Action Strategies:

##### First Steps – 2012-2013

- ***Coordinate Work Plan projects with recently completed Railroad Historic District Master Plan.*** The Downtown Sheridan Association and Sheridan County recently finished a master plan for the Railroad Historic District. The railroad district occupies a large portion of the officially designated downtown district, and its master plan details a number of physical improvements and programming recommendations. The implementation of many of these tasks would be the responsibility of the SDDA and DSA, and therefore should be incorporated into the overall downtown work plan. The Railroad Historic District Master Plan has twelve distinct categories of recommendations including:

- 1 – Foster Development of a Creative Economy*
- 2 – Improve Infrastructure within the District*
- 3 – Encourage Historic Preservation and Compatible New Construction*
- 4 – Facilitate Rehabilitation of Residential Neighborhood in the District*
- 5 – Encourage Continued Adaptive Reuse of Historic Structures*
- 6 – Use zoning and building codes to encourage Historic Preservation*
- 7 – Promote Relocation of Main Railroad Line*
- 8 – Discourage Use of Broadway as One-Way Arterial*
- 9 – Have Sheridan Designated as Certified Local Government*
- 10 – Promote the District and Educate the Community About the District*
- 11 – Support Creation of a Downtown Development Authority*
- 12 – Provide Financing Plan*

Each strategic area has a number of specific recommendations ranging from education and promotion, to physical improvements of infrastructure, to economic development sensitive to historic preservation. While the SDDA and DSA would likely lead many of these tasks, the SDDA/DSA can serve as advocates for the ongoing planning, preservation, and revitalization of the Railroad District. A first step for this Downtown Business plan will be to determine specific projects from the Railroad District Plan that should be incorporated into the downtown work plan.

- **Continue and enhance street decorations program.** Downtown Sheridan should continue its street decorations programs such as the installation of Christmas lights, but also could look to expand to include additional flower beds, banner programs, and street furniture. Sheridan has a fairly large downtown, and this would likely need to be phased over multiple years. As implementation occurs over time, every effort should be made to ensure a consistency of design.
- **Expand kiosk program throughout downtown.** Kiosks should be placed in key locations such as public parking areas, Downtown Sheridan Association office, and key anchors (near Kings Saddlery, City Hall). The kiosks should be regularly updated, including information on upcoming events and existing businesses. They can also be used to distribute any marketing material developed for downtown.
- **Purchase billboard space on I-90 to promote downtown.** Sheridan is fortunate to have a major interstate passing through town. It also benefits from being in a region of the country that enjoys significant tourism. Because of this, Downtown Sheridan should consider purchasing billboard space on I-90 positioning downtown as active place with unique shops, restaurants, and event activity. Billboard advertising can be somewhat expensive, but are one of the most successful ways to market to a captive audience, such as visitors staying at local hotels, regional travelers passing through town, and even local residents.
- **Commission parking management plan.** The 2010 DEDES looked at specific needs related to downtown parking, and recommended a parking management strategy through a Downtown Development Authority. The SDDA should commission a parking management plan to create a detailed, phased implementation strategy for parking development and management. It should look a number of things such as shared access, awareness, improvements to existing lots, as well as new parking resources.

#### Next Steps – 2014-2015

- **Create wayfinding signage program.** A hierarchical system of signage will direct visitors and residents to civic, cultural, and business resources. A typical wayfinding system utilizes a community's marketing brand graphics and includes gateways, vehicular and pedestrian directional signage, street banners, district & parking signs, building markers, and informational kiosks. Like many capital projects, a wayfinding program would require a planning process that details phased implementation.
- **Maintain and improve streetscape.** Downtown Sheridan should continue to maintain and enhance the public realm streetscape along Main and downtown's cross streets. Like wayfinding and marketing activities mentioned before, it is important that new streetscape enhancement provide consistency of design. Sheridan DDA would have the ability to direct resources to these streetscape improvements.
- **Encourage and assist in private sector façade enhancements.** Whether it is working with the State to utilize preservation tax credits, or providing local matching façade improvement grants, Downtown Sheridan should continue to encourage private property owners to restore their facades. For more complex redevelopments, the SDDA would have

the ability to create public/private partnerships to pursue projects. This may even include property acquisition.

- **Construct marquee sign at interstate interchange.** A mid-term to long-range strategy would be creating a marquee sign at an interstate interchange. The marquee would need to be easily readable to travelers, and also designed in a manner that it could be updated with information for events, etc. Depending on the type of marquee, and particularly whether it would be a static or digital display, this could be expensive. While more expensive in the long-term, billboard advertising can serve the same purpose in the short term.
- **Establish snow removal and litter control program.** Like parking, one of the common themes during the stakeholder process was identified as a need for sidewalk snow removal and litter control. Downtown Sheridan could create a program that could range from purchasing equipment and hiring part time workers, to establishing a year-round program similar to Cheyenne's "Clean and Safe Program". Like Cheyenne, Sheridan could appropriate tax increment financing monies to fund the program.

### Final Steps – 2016-2020

- **Create new parking resources.** Ultimately, Sheridan may need to develop new public parking resources. This may be new surface parking facilities or even a parking deck. Either way, creating new parking could be expensive, and therefore likely a long-term strategy. The parking management plan identified earlier in this section would identify the need, type, and location of new parking resources.
- **Pursue stream restoration.** The 2010 DEDS and previous downtown master plans addressed the need to restore Little Goose Creek throughout downtown. The project has been assessed and a restoration plan has been completed. In order to complete the project, funding would need to be secured through environmental grants and SDDA funding through a tax increment financing district.
- **Consider skateboard park.** Similarly, a skateboard park has been mentioned in past Sheridan community planning efforts as something needed for young citizens. There is the potential for this to be located in downtown, and Sheridan should look to determine the need, cost, location, and design of such a facility.
- **Acquire key properties for redevelopment.** Some of downtown Sheridan's more significant anchor projects may require property acquisition. A DDA has the ability to acquire and own property, and could restore and return to the private sector, or create a public/private partnership to facilitate development. As with many of the strategies in this section, this has the potential to require significant capital, of which a number of funding sources would need to be identified.

## 8.4 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.

### Action Strategies:

#### First Steps – 2012-2013

- **Establish the Sheridan Downtown Development Authority:** This first step to implementing this downtown work plan will be to establish the SDDA in partnership with Downtown Sheridan Association. The majority of the economic development activities in this work plan, especially the capital improvement projects, will not be possible without a DDA and the capabilities it would provide.
- **Hold roundtable discussion with economic development and marketing partners to share DSA/SDDA mission and work plan, define roles of all partners.** The Downtown Sheridan Association should assemble its economic development partners to present this work plan and:
  - Communicate the new structure of the DSA/SDDA and how it would work with the various partners (Forward Sheridan, City & County, Wyoming Business Council, Chamber, Tourism, etc.). The mission and work plans of each agency should be a topic of conversation, but also a discussion about how to communicate the roles and responsibilities of each entity to Sheridan's citizenry, property and business owners.
  - Discuss the specific tasks of the downtown work plan, assigning lead and support agencies to each task. No downtown plan can be implemented by a single entity, and a downtown development organization must rely on its partners for assistance. Most of the tasks outlined in this document would see the DSA/SDDA leading the effort, but there may be overlap with certain recommendations with respect to each partner agency's work plan.
- **Pursue and establish a sales tax based TIF district, define projects and create plan of development.** Many of the projects identified in the previous section will require a sales tax based TIF in order to provide a funding stream for implementation. The SDDA should initiate the TIF process, first creating a plan of development as required of state statutes, and then pursue a TIF through a public process.
- **Determine additional funding streams for remaining tasks in the downtown work plan.** This plan looks to create an alternative downtown management plan that focuses on economic development. In doing so, the DSA work plan itself would likely change with new projects geared towards economic development and marketing. The SDDA can fund certain projects through a TIF as previously mentioned, but other funding sources would have to be identified for many tasks that currently do not exist in the DSA's work plan. For example, while the DSA's marketing budget has been cut significantly over the past few years, this downtown work plan calls for new marketing efforts to promote businesses while recruiting others. In order to fund these tasks, the DSA and SDDA will need to pair new funding to

each task. This could include new annual fundraisers, securing additional grant funding, as well as the likely need for additional appropriations from the City and County.

- ***Coordinate, incorporate recommendations of Railroad Historic District Master plan into work plan.*** During this project, the DSA has been completing the Railroad Historic District Master Plan. That plan has a number of specific projects that either overlap, or should be incorporated into this downtown work plan.

### Next Steps – 2014-2015

- ***Establish a Community Improvement District on North Main Street corridor:*** Similar to the Railroad Historic District Plan, a master plan for the North Main corridor was completed in 2009. This plan has a number of recommendations for land use, transportation and circulation, and open space development. North Main is a gateway to Sheridan as a community as well as downtown, and the DSA/SDDA should work with the City and North Main partners to pursue a Community Improvement District for that corridor. A community improvement district can help North Main address its specific and unique issues and constraints.
- ***Coordinate business development training with Sheridan College and Wyoming Business Council.*** With Sheridan College and the local office of the Wyoming Business Council, Sheridan is fortunate to have higher education and economic development assets that it can collaborate with. Many of the tasks presented here related to general business development (training, access to information, etc.) can be accomplished through a coordinated effort of the DSA and these two partners.
- ***Partner with WYO Theater, Sheridan Public Arts Committee, Sheridan Artist Guild, restaurants, etc. to create arts, cultural, & entertainment cluster.*** The WYO Theater and Sheridan College are working to create a cultural anchor in downtown Sheridan. The DSA, with the goal of creating activity through enhanced arts and entertainment, should partner with these agencies to see where there are opportunities for collaboration.

### Final Steps – 2016-2020

- ***Continue ongoing plan evaluation:*** Through its ongoing day-to-day work, the DSA and its committees should use the Strategy Board in the next section to continually evaluate the progress of this plan. Similarly, the boards of the DSA and SDDA should discuss the downtown work plan in their annual meetings, discussing plan successes, changing priorities, and perhaps adding new projects.
- ***Continue annual economic development workshops with partner organizations.*** In a similar fashion, an annual workshop should be held with all Sheridan area economic development agencies to discuss their individual work plans, changing priorities, and opportunities for continued partnerships.

## 9.0 The Strategy Board

### Projects and Initiatives

The attached “Strategy Board” summarizes all of the projects and recommendations included in the downtown work plan shown above. The board should be used as a working document for benchmarking and ongoing evaluation of the implementation process. Each recommendation that is presented in brief on the strategy board is supported in this report documentation.

### Strategies

Each of the plan strategies is outlined in the strategy board. It is important to remember the ultimate economic development and revitalization goals that each project supports. Each of these strategies is linked with one another, but failure to achieve one goal does not negate the ability to achieve others.

### Responsibilities

Individual responsibilities should be assigned to the DSA, SDDA, or a partner agency. While an agency may be assigned lead role for implementation, each of these projects should be pursued through partnerships. As the plan progresses, the responsibilities should be reevaluated to determine where roles should change or shift.

### Time Frames

The projects are divided into three time frames. The first series of projects are demonstration projects that should begin immediately. For the most part, these are simple projects that will be highly visible, have significant impact and should be completed within the first year after the plan is adopted. The second set of projects is labeled next step projects. Some of these are more advanced projects while others may be continuations of projects that began during the demonstration period. The last series of recommendations are final steps. There are fewer projects in this list, but over time this category will continue to fill as priorities evolve.

The strategy board and its recommendations represent a “living document.” As time goes by and implementation proceeds, some priorities will shift while new ones will arise. The implementation strategy board should be evaluated periodically, no less than annually. This evaluation process will allow for finished tasks to be indicated on the board, for responsibilities to be shifted between parties, and for time frames to be adjusted for individual projects.

# Downtown Sheridan, Wyoming – Business Development Strategy - **DRAFT**

The strategies below represent business development and work plan to enhance Downtown Sheridan Association and its partner's current efforts for economic development. The tasks are presented in four key strategic areas. Each strategy is accompanied by short, medium, and long tasks.

Strategies	First Steps: 2012-13	Next Steps: 2014-15	Final Steps: 2016-2020
<p><b>Business Development</b></p>	<ul style="list-style-type: none"> <li>▶ Recruit businesses based on potential identified in market analysis.</li> <li>▶ DSA updates and manages all data for the district.                             <ul style="list-style-type: none"> <li>○ Make market research readily available to all existing and potential businesses.</li> <li>○ Create available properties database with information on key sites.</li> </ul> </li> <li>▶ Create low-interest loan pool, micro-enterprise program.</li> <li>▶ Perform zip code survey quarterly for market research.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Create Economic Gardening programming to provide business support to small &amp; start-up businesses.</li> <li>▶ Connect business owners through peer work session (marketing, visual merchandising, business planning).</li> <li>▶ Provide training services for E-commerce.</li> <li>▶ Partner with anchor businesses to enhance market research for Downtown.</li> <li>▶ Encourage individual market research, provide data.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide incentive program for market research/marketing assistance/design assistance.</li> <li>▶ Enhance market through development of upper floor housing, new housing product.</li> </ul>
<p><b>Economic Development Market Positioning</b></p>	<ul style="list-style-type: none"> <li>▶ Create economic development market position focusing on entrepreneurs, cultural activity, history, tourism.</li> <li>▶ Consumer market position focusing on activity, personal service, quality of life.</li> <li>▶ Target six + county regional market – entrepreneurial development, customer base (expanded trade area).</li> <li>▶ Position DSA as responsible party for business development in downtown (information, training, market data).</li> <li>▶ Create marketing plan for downtown, DSA/DDA.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Create business recruitment package to market downtown as location for investment.</li> <li>▶ Create testimonial ads for downtown businesses.</li> <li>▶ Expand existing street festivals such as 3<sup>rd</sup> Thursday, Farmers Market.</li> <li>▶ Visit nearby markets for market research, entrepreneurial recruitment.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Update market research.</li> <li>▶ Facilitate customer preference survey.</li> </ul>
<p><b>Projects</b></p>	<ul style="list-style-type: none"> <li>▶ Coordinate Work Plan projects with recently completed Railroad Historic District Master Plan.</li> <li>▶ Continue and enhance street decorations (Christmas, banners, flowers, etc).</li> <li>▶ Expand kiosk system throughout downtown.</li> <li>▶ Purchase billboard space on I-90 to promote downtown, advertise events.</li> <li>▶ Create parking management plan.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Create wayfinding signage program.</li> <li>▶ Maintain and improve streetscape.</li> <li>▶ Encourage and assist in private sector façade enhancements.</li> <li>▶ Construct marquee sign at Interstate interchange.</li> <li>▶ Establish snow removal and litter control program.</li> </ul>	<ul style="list-style-type: none"> <li>▶ New parking lot/structure.</li> <li>▶ Stream restoration.</li> <li>▶ Pursue skateboard park.</li> <li>▶ Acquire key properties for redevelopment.</li> </ul>
<p><b>Organization &amp; Capacity</b></p>	<ul style="list-style-type: none"> <li>▶ Establish a Downtown Development Authority.</li> <li>▶ Hold roundtable discussion with economic development and marketing partners to share Downtown Partnership mission and work plan, define roles of all partners.</li> <li>▶ Pursue and establish a sales-tax based TIF district, define projects and create plan of development.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establish Community Improvement District on North Main Street.</li> <li>▶ Coordinate business development training with Sheridan College and Wyoming Business Council.</li> <li>▶ Partner with WYO theater, Sheridan Public Arts Committee, Sheridan Artist Guild, restaurants, etc. to create arts, cultural, &amp; entertainment cluster.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continue ongoing plan evaluations.</li> </ul>