

## Current Situation

*This section summarizes issues facing New Richmond's business districts and the broader community, and also sets the stage for more detailed data analysis in subsequent sections of this report.*

After an initial meeting in January of 2002, the Community Planning and Resource Committee (CPR), an ad-hoc committee of the New Richmond Area Chamber of Commerce and Visitors Bureau, was formed to look into the issues facing the existing retail and service business community. It was also formed to encourage new business development. By late May, the committee had identified ten major issues that could be researched through a market study. These issues in random order are as follows:

1. Planning for commercial development around the Highway 64 bypass
2. Concern about the negative impacts of continued sprawl development
3. Fostering the economic vitality of three distinct business areas (North, Central and South)
4. Involving local businesses in planning for economic growth
5. Strengthening the community's ability to attract appropriate businesses
6. Coping with the challenges of rapid change while retaining a local identity.
7. Drawing customers from outside the City of New Richmond to our business community
8. Capturing new customers from the residential growth occurring in the area
9. Portraying a professional image to the business community.
10. Effectively reaching consumers

CPR recommended that the Chamber Board of Directors contract with UW-Extension Center for Community Economic Development and St. Croix County, to conduct a Business District Market Analysis for New Richmond. It would provide a tool allowing the current business community to make decisions regarding the expansion of their service/products and, it would provide a tool for recruiting new businesses to the community.

### **General Conditions**

The City of New Richmond is located in St. Croix County, which is Wisconsin's fastest growing county according to State population estimates. The city grew from 5,106 to 6,310 (24%) in the 1990s and has accelerated its rapid growth in the new century. The official population estimate from the Wisconsin Department of Administration (DOA) indicates the 2003 population of New Richmond at 7,244, which is an increase of 934 in the four years following the 2000 census. The city's 2004 population has already surpassed the DOA projection for 2005 (7,039). At the current rate of growth, city officials believe that the actual population will exceed DOA's projections and may approach 12,000 by 2020 rather than 8,822 as projected by DOA. Additional population and households represent potential new customers and additional sales volumes for retail and service businesses in New Richmond. The complete DOA population estimates and projections are in the Appendix.

State Highway 64 connects New Richmond to the Twin Cities urban area via Stillwater. Major construction projects for Highway 65 are underway, and these changes will impact New Richmond. Highway 64 is being upgraded to four lanes west of New Richmond, and the highway

is being re-routed to bypass New Richmond on the northern edge of the city. The by-pass raises issues of importance for New Richmond's retail and service business sectors. Highway bypass projects tend to attract new business development, which will affect the retail and service sectors of the city.

The City of New Richmond has initiated a comprehensive planning project to help manage the growth and change that the community will continue to experience. The chamber market analysis is an important component of the economic development and land use elements of the city comprehensive plan.

New Richmond stands to benefit from its central location within St Croix County by drawing destination traffic for services from rural residents and communities to the north, west and east. 2000 Census data indicates that the median income for St Croix County (\$54,930) provides for a higher than average level of disposable income. Another customer-oriented issue is the ability of businesses to capture a new customer base from the community growth. The issue of attracting customers from outside the city limits is also an important goal.

New Richmond is strongly influenced by its inclusion within the Standard Metropolitan Statistical Area (MSA) of the Twin Cities of St. Paul and Minneapolis MN. The proximity to the metropolitan area creates a media void of local and state news. It also makes it difficult for businesses to effectively and affordably advertise to a local audience using diverse media.

In addition to attracting new customers, many in the community would like to recruit more businesses while still retaining the identity of New Richmond. With this market analysis, the committee plans to develop a recruitment package for marketing the community to potential consumers and for recruiting new businesses. Many will also use the analysis in planning for the upcoming Highway 64 bypass.

### **New Richmond's Business Districts**

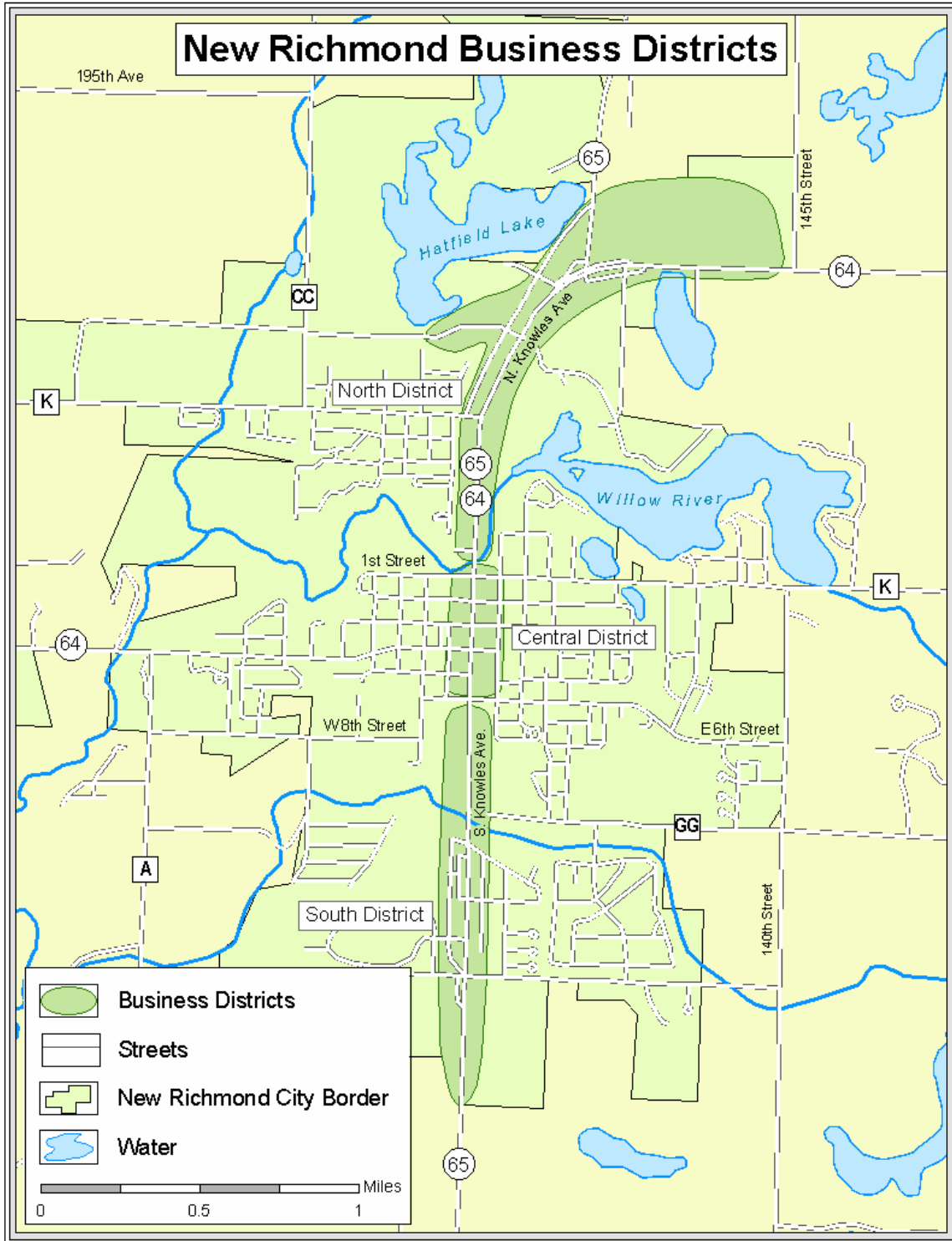
New Richmond has three distinct business districts and various outlying business locations. The following map illustrates the locations of the three districts. For background information, a current zoning map for the City of New Richmond is presented in the appendix to this section.

The North business district is located along North Knowles Avenue from the Highway 65/64 intersection area to East/West First Street (Downtown Central Business District). The west side of this district includes light industry. The northern part of this district is the area where the Highway 64 bypass will meet the existing Highway 64 (see issue item #1 above).

The Downtown Central Business District is along South Knowles Avenue from East/West First Street to East/West Sixth Street, and includes an area one block east and west of Knowles Avenue.

The South business district begins at East/West Sixth Street and stretches south to the southern borders of the city, and beyond. This area includes the Paperjack Plaza area and the New Richmond Business and Technical Park. A 155,00 sq. ft. super WalMart Store will open here in 2005. A very large residential area is accessed from this area.

A small outlying area includes some business development west of the downtown on Highway 64 including a gas station/convenience store, service businesses, Holy Family Hospital and the New Richmond Clinic.



## Downtown “Report Card” Summary

In May of 2003 the New Richmond Area Chamber of Commerce & Visitors Bureau hired Professor Kent Robertson, Community Development Program, St. Cloud State University, to conduct a Downtown Report Card for New Richmond.

The twelve-page report card focused primarily on the physical, design-related, and aesthetic features of downtown, and the purpose of the report card was twofold:

It assessed the relative strengths and weaknesses of downtown New Richmond, Wisconsin (pop. 6500 at that time) for three basic categories: 1) economic elements, 2) physical and design elements, and 3) transportation elements.

This report card presents a series of recommendations for further strengthening downtown New Richmond and enhancing downtown’s sense of place.

“Despite the fact that there are some negative economic indicators affecting downtown, the economy of downtown New Richmond still appears to be relatively healthy. One reason for this healthy economy is that downtown is multifunctional; in other words, there are a variety of economic anchors (functions) that continue to draw people downtown for a variety of purposes.”

Those anchors include three of the city’s financial institutions, the post office, city government, the New Richmond Middle School, public library, several churches, the Gem Theater, a bowling alley and two grocery stores (one has since moved to the south edge of the city).

“As a result, there are many attractions that draw different types of people to downtown New Richmond for different reasons and at different times of day/week. This is definitely an asset that should not be overlooked.”

“An inventory of street-level businesses in the downtown revealed the following mix:

- 19 retailers (32.2% of 59 total storefronts)
- 13 personal services providers (22%) – law, UPS, Laundromat, massage, cleaners, dentists, hair, chiropractor
- 11 financial services providers (18.6%) – banks, mortgage, insurance, cash store
- 11 restaurants/bars (18.6%)
- 6 miscellaneous (10.2%) – theatre, bowling alley, chamber offices, library, city hall, newspaper
- 3 vacancies (5.1%)

“This business mix is fairly normal in small downtowns of the 21<sup>st</sup> Century. The increasing presence of service providers (over 40% of storefronts) is a common phenomenon today, and it is highly unlikely that retailing will ever dominate downtown economy in the foreseeable future. The low vacancy rate is also a positive sign that there remains demand for downtown space.”

“Similar to the majority of small city downtowns across the United States, downtown New Richmond has lost many retailers during the past decade . . . But rather than obsess on what has been lost, people should appreciate what downtown still offers. Despite the growth of strip retailers on the edge of town...(the) downtown still provides the greatest concentration of retailing in the local New Richmond trade area.”

“Moreover, a focus group conducted by Wisconsin Indianhead Technical College (2003) indicated that both new and long-time residents valued the local ownership and quality of service provided by downtown stores. For a city of under 7,000 people (in 2003) within easy driving distance of Twin Cities shopping opportunities, this constitutes a stronger than average retail mix.”

### Retail Business Hours

"This can be a sensitive topic for independent business owners, many of which have few employees. However, it must be understood that the preferred shopping times for busy two-income households is during the evenings and on weekends, times during which downtown stores have very limited hours. If the majority of retailers would remain open until 8 p.m. on weeknights and 5 p.m. on Saturdays, downtown business will increase. If the hours are consistent, then shoppers will know that many shopping opportunities will be available when they head downtown after dinner, which will improve spillovers between businesses."

"Staying open on Sundays would also help, but I realize that economically this might prove difficult for many small businesses. If staying open later during the evening is a hardship for the independent storeowners, perhaps they might consider opening one hour later in the morning--- how many customers do they currently serve between 10-11 in the morning? If hours are extended for a majority of businesses, this positive change must be heavily publicized not only by the individual business, but also for the downtown as a whole. And be patient. It will take time for people to become aware of these more convenient hours."

### **Physical/Design Elements of Downtown**

"The physical appearance of most downtown buildings does not do justice to the sound downtown economy. The buildings present a chaotic overall look that totally lacks cohesion and provides little evidence of widely applied principles of effective design and rehabilitation of older commercial buildings. When asked about the appearance of down town, interview respondents used words such as "hodgepodge, plain, nothing special, sterile, beat up, and ugly." Given that most of the buildings are at least 75 years old and constructed of brick (often covered today), this situation is very unfortunate and unnecessary."

"There are, however, a few scattered examples of attractive building facades, most of which are located on the east side of the 100 block of South Knowles Avenue":

- 116 S. Knowles-Old Gem Theater
- 122 S. Knowles-Traditions
- 126 S. Knowles-Remington Law Office
- 109 E. 2<sup>nd</sup> Street-The First National Bank
- 145 S. Knowles-The Old Saloon

"Unfortunately, the majority of buildings along South Knowles, especially on the 200 and 300 blocks, detract from the visual appeal of downtown. These buildings fall under several categories of poorly conceived design":

The Swiss Chalet Look

The Badly Painted/Covered Brick Look

The 1950's Metallic Awning Look

Landmark Buildings in Waiting

**Recommendations:** Eleven key elements were evaluated and graded as compared to other small city downtowns throughout the country:

- Enhance the downtown's sense of place
- Make better use of the benches/planters
- Continue work on the design guidelines and increase financial incentives
- Create improved linkages between Glover Park and the river
- Take advantage of the area around the dam
- Make the alleys more inviting
- Insert more visible pedestrian crossings on South Knowles Avenue
- Add some color to the streetscape
- Look at the bypass as an opportunity
- Extend and unify retail business hours
- Promote the downtown

## Wisconsin Downtown Action Council

*On May 30, 2003 the New Richmond Chamber hosted a meeting of the Wisconsin Downtown Action Council. After a downtown walking tour and a presentation about the City of New Richmond growth development patterns, the WDAC was given three questions. Following are their responses and suggestions.*

### What special niches could downtown New Richmond serve?

An "odd hour" niche – Businesses open when commuters are in town.  
 Nightclub district  
 Dining district  
 Art district/ Arts/gallery  
 People seek out small towns to find special items and prices  
 Blend the river with the downtown (Fort Atkinson has done a good job of this.)  
 Face-lift buildings back to historic facades  
 Retirees, supported by independent senior housing  
 Home furnishings  
 Directly tied to future traffic reductions.  
 Hometown – small town specialty retail  
 Wedding, photography  
 Health food specialty  
 Coffee shops – deli  
 Car dealerships outskirts

Lifestyle and entertainment  
 Link downtown to residential areas by trails  
 Utilize water for recreation and entertainment  
 Combine retail/service with recreation/entertainment  
 Shifting primary business hours from 9 a.m. to 5 p.m. to more evening and weekend – this would help capture the out commuter and their families  
 Kitchen supply store  
 Interior decorating – continuing from past emphasis on furniture – growth of residential might support this.  
 Antiques – resale stores  
 Gardening  
 Business lunch restaurants  
 Outdoor store with Willow River – canoe rentals, kayaks, etc.  
 It seems special because of its diversity. Maintaining that diversity could be a special niche to continue.

### What improvements could be made to increase commercial activity downtown New Richmond?

Get rid of long haul traffic – keep downtown available for local traffic  
 More off street parking  
 Link the river to the downtown  
 Clustering of businesses.  
 Find ways to better mark crosswalks  
 Facelifts with uniform design standard  
 Seasonal planters/baskets  
 Signage on downtown businesses  
 Improved awnings  
 Historic color requirement

Less high-speed noisy traffic  
 Have all stores consistent hours open  
 Maintain current traffic corridors/do not bypass the downtown. Without all types of traffic you reduce numbers available to create new commercial activity. If vital now . . . it won't be when a bypass will occur.  
 Activities when customers are not at work.  
 Increase residential density downtown.  
 Increase green elements, hanging baskets, etc.  
 Interpreted approach to pedestrian orientation  
 Improve appearance with storefronts/signage

### What specific types of businesses might do well in downtown New Richmond?

Hospitality industry seems to be attracted to downtown, emphasize this sector  
 Retail is lacking especially apparel, boutique type stores are a great draw.  
 Co-op/specialty food store, etc. – to fill a gap if/once grocery store leaves.  
 Bookstore  
 Bookstore with children's emphasis  
 Upscale restaurant – Chiquita  
 Artisan co-op  
 Specialty apparel (women)  
 Boutiques  
 Antiques/Art  
 High-end gift shops

Directly tied to future traffic reductions  
 Drug Store  
 Fishing  
 Home decorating  
 Children's toys  
 Family dining  
 Food  
 Specialty retail  
 Hardware/general store  
 Focus on the results of the business mix analysis

## National Trends

As a starting place for this market analysis, it is important to consider some of the trends facing small communities and their commercial districts. While many of these trends are focused on downtowns, they may also apply to surrounding business districts in a community. According to information provided at the 2002 National Town Meeting on Main Street, held in Fort Worth, Texas, key trends include:

- Retailing is returning to downtown.
- Older shopping malls and strip centers are declining.
- Demands for main street housing and business sites are increasing, especially in larger cities and suburban downtowns.
- The intensified focus on reducing sprawl is positioning main street as an attractive, appealing alternative.
- The Internet is creating new opportunities for main street businesses. "Location-neutral" businesses are seeking out main streets.
- Shopping malls and power centers continue to be developed when overall consumer spending is down and there is no increase in population and buying power.
- Consumer loyalty has disappeared, as there are many more retailing venues and much more consumer information available to everyone.
- Shoppers are spending less time in malls and many consumers use only the mall's destination businesses. 20 percent of malls today will be something different in twenty years.
- Super stores or category killers are generating one-third of sales today.
- Super store backlash: Are they as convenient as they say?
- Convenience. Shoppers have less time to shop.
- Entertainment & entertainment districts. Shopping as live theater. Example: Nike Town, Discovery Channel Store.
- Urban, suburban, rural locations: More and more chain stores are considering downtown or neighborhood commercial district locations. Example: The Gap.
- Negative impacts, especially in suburban locations where brand name stores are forcing out mom and pop businesses.
- Rural population growth may spur new retail development.
- Internet and E-Commerce will also have an affect on the New Richmond business district. Consider the following:
  - E-Commerce generated over \$18.6 billion in total sales in 1999. By 2001, e-commerce sales will reach \$65 billion. (Forrester Research predicts that average online household spending will grow to \$184 billion by 2004).
  - "Main Street" businesses are using the Internet to sell more to current customers while providing them with better service.
  - Internet has the potential to help downtown retailers generate more jobs, more business-to-business sales and higher occupancy rates on both on first and upper stories.
  - 74 percent of 1999 *Trend Survey* respondents indicated that the number of downtown businesses going on-line had increased.



## Appendix – Population Projections for St. Croix County

Name of Municipality	Census 1980	Census 1990	Census 2000	Projection 2005	Projection 2010	Projection 2015	Projection 2020	Projection 2025
T BALDWIN	943	911	903	937	959	969	981	979
T CADY	724	643	710	748	776	794	814	822
T CYLON	717	639	629	642	647	644	643	632
T EAU GALLE	897	756	882	963	1,050	1,123	1,196	1,250
T EMERALD	638	630	691	768	837	893	950	991
T ERIN PRAIRIE	661	647	658	671	677	673	672	661
T FOREST	631	614	590	601	604	600	597	586
T GLENWOOD	715	700	755	803	841	867	895	910
T HAMMOND	822	819	947	1,171	1,384	1,575	1,764	1,922
T HUDSON	2,012	3,692	6,213	7,612	8,932	10,111	11,285	12,254
T KINNICKINNIC	1,051	1,139	1,400	1,540	1,663	1,762	1,862	1,933
T PLEASANT VALLEY	360	384	430	476	516	548	581	605
T RICHMOND	1,338	1,400	1,556	1,810	2,045	2,250	2,445	2,617
T RUSH RIVER	476	419	498	551	598	636	675	703
T ST. JOSEPH	2,180	2,657	3,436	3,826	4,172	4,456	4,746	4,957
T SOMERSET	1,833	1,968	2,644	3,078	3,478	3,824	4,171	4,446
T SPRINGFIELD	816	772	808	878	938	984	1,032	1,064
T STANTON	1,083	1,042	1,003	1,013	1,017	1,008	1,001	981
T STAR PRAIRIE	1,900	2,098	2,944	3,454	3,925	4,335	4,747	5,075
T TROY	2,326	2,850	3,661	4,116	4,523	4,864	5,208	5,466
T WARREN	897	1,008	1,320	1,532	1,731	1,904	2,077	2,214
V BALDWIN	1,620	2,022	2,667	3,221	3,737	4,195	4,651	5,024
V DEER PARK	232	237	227	229	229	226	223	217
V HAMMOND	991	1,097	1,153	1,447	1,725	1,976	2,224	2,432
V NORTH HUDSON	2,218	3,101	3,463	3,834	4,161	4,427	4,698	4,892
V ROBERTS	833	1,043	969	1,109	1,231	1,336	1,441	1,522
V SOMERSET	860	1,072	1,556	1,904	2,231	2,522	2,813	3,052
V STAR PRAIRIE	420	507	574	656	731	795	860	910
V SPRING VALLEY *	0	0	2	0	0	0	0	0
V WILSON	155	163	176	195	212	226	241	251
V WOODVILLE	725	942	1,104	1,246	1,356	1,446	1,538	1,604
C GLENWOOD CITY	950	1,026	1,183	1,263	1,328	1,375	1,424	1,451
C HUDSON	5,434	6,378	8,775	10,495	12,097	13,507	14,921	16,060
C NEW RICHMOND	4,306	5,106	6,310	7,060	7,720	8,267	8,822	9,231
C RIVER FALLS *	1,498	1,769	2,318	2,528	2,708	2,849	2,994	3,092

An \* indicates that the municipality crosses at least one county line  
 The sum of all municipalities may not equal the county totals because of rounding.  
 The 2000 Census counts include the latest corrections - June 23, 2003 and may not equal those in the county age by sex projections.

Source: Wisconsin Department of Administration: January 2004

## Appendix – Population Estimates for St. Croix County

Municipality Type and Name	Split	4/1/00 Census	2004 Estimate	Numeric Change	Pct. Change
T BALDWIN		903	938	35	3.88
T CADY		710	774	64	9.01
T CYLON		629	649	20	3.18
T EAU GALLE		882	965	83	9.41
T EMERALD		691	761	70	10.13
T ERIN PRAIRIE		658	662	4	0.61
T FOREST		590	614	24	4.07
T GLENWOOD		755	823	68	9.01
T HAMMOND		947	1,287	340	35.90
T HUDSON		6,213	7,214	1,001	16.11
T KINNICKINNIC		1,400	1,585	185	13.21
T PLEASANT VALLEY		430	473	43	10.00
T RICHMOND		1,556	2,004	448	28.79
T RUSH RIVER		498	527	29	5.82
T ST. JOSEPH		3,436	3,642	206	6.00
T SOMERSET		2,644	3,044	400	15.13
T SPRINGFIELD		808	885	77	9.53
T STANTON		1,003	1,015	12	1.20
T STAR PRAIRIE		2,944	3,306	362	12.30
T TROY		3,661	4,308	647	17.67
T WARREN		1,320	1,501	181	13.71
V BALDWIN		2,667	3,253	586	21.97
V DEER PARK		227	230	3	1.32
V HAMMOND		1,153	1,636	483	41.89
V NORTH HUDSON		3,463	3,649	186	5.37
V ROBERTS		969	1,275	306	31.58
V SOMERSET		1,556	2,014	458	29.43
V STAR PRAIRIE		574	642	68	11.85
V SPRING VALLEY	*	2	0	-2	-100.00
V WILSON		176	189	13	7.39
V WOODVILLE		1,104	1,232	128	11.59
C GLENWOOD CITY		1,183	1,231	48	4.06
C HUDSON		8,775	10,561	1,786	20.35
C NEW RICHMOND		6,310	7,244	934	14.80
C RIVER FALLS	*	2,318	2,389	71	3.06

An \* in the Split column means that the Municipality crosses into another county.

Source: Wisconsin Department of Administration: October 10, 2004

## Appendix – Household Projections for Wisconsin Municipalities 2000-2025

Municipality Type and Name	Split	Total	Projected Households				
		Households 2000	2005	2010	2015	2020	2025
T BALDWIN		307	321	336	346	356	360
T CADY		255	270	287	299	312	319
T CYLON		227	233	240	244	248	246
T EAU GALLE		307	337	376	410	445	470
T EMERALD		236	264	294	320	347	366
T ERIN PRAIRIE		227	233	240	244	248	246
T FOREST		203	208	214	217	219	218
T GLENWOOD		254	272	291	306	322	331
T HAMMOND		314	391	472	548	625	688
T HUDSON		1,925	2,375	2,847	3,288	3,731	4,091
T KINNICKINNIC		483	535	590	638	686	720
T PLEASANT VALLEY		145	162	179	194	209	220
T RICHMOND		524	614	709	796	883	951
T RUSH RIVER		171	190	211	229	248	261
T ST. JOSEPH		1,193	1,338	1,491	1,624	1,758	1,856
T SOMERSET		927	1,086	1,255	1,408	1,561	1,683
T SPRINGFIELD		285	312	341	364	389	405
T STANTON		352	358	367	371	375	372
T STAR PRAIRIE		1,006	1,189	1,381	1,555	1,729	1,863
T TROY		1,250	1,415	1,589	1,744	1,898	2,015
T WARREN		426	498	575	645	716	772
V BALDWIN		1,115	1,356	1,608	1,841	2,073	2,259
V DEER PARK		91	92	94	95	95	94
V HAMMOND		433	547	667	779	890	981
V NORTH HUDSON		1,315	1,466	1,626	1,765	1,905	2,006
V ROBERTS		392	452	513	567	623	665
V SOMERSET		635	782	937	1,081	1,226	1,346
V STAR PRAIRIE		212	244	278	308	339	363
V SPRING VALLEY	*	1	0	0	0	0	0
V WILSON		66	74	82	89	97	102
V WOODVILLE		446	507	564	613	662	696
C GLENWOOD CITY		460	495	532	561	590	606
C HUDSON		3,687	4,436	5,226	5,951	6,687	7,273
C NEW RICHMOND		2,561	2,885	3,225	3,520	3,817	4,028
C RIVER FALLS	*	979	1,076	1,177	1,262	1,346	1,397

An \* in the Split column means that the Municipality crosses into another county.

Source: Wisconsin Department of Administration: January 2004