

**Ellsworth Community and Economic
Development Project**



WISCONSIN
SCHOOL OF BUSINESS

UNIVERSITY OF WISCONSIN-MADISON

TOGETHER
FORWARD

PREPARED BY

Bolz Center for Arts Administration, Class of 2020

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Executive Summary

The Ellsworth Community and Economic Development Final Report is the culmination of a year-long collaboration between the second-year students at the Bolz Center for Arts Administration (Bolz Center), the UW-Extension Community Vitality and Placemaking team (UW-Extension) and Ellsworth's E3 Community Development Corporation (E3). The intent was to examine the ideas generated during the Ellsworth community design charrette, led by the UW-Extension team in 2018, and create recommendations for future investment and implementation.

This final report begins with introductory material explaining the context of this project, acknowledging the work that has already been accomplished to get Ellsworth to this point, and Bolz Center's role in this project. It also outlines the current situation in Ellsworth, focusing on the East End disinvestment and the factors that led to the Bolz Center being brought in to help.

The report then discusses the assumptions built into our research, and breaks down our methodology. This includes our initial site visit in fall 2019, and the subsequent video conferences with E3 to revise and settle upon a direction for this project. The Bolz Center then conducted interviews and consultations with community members, community development experts, and UW-Extension subject experts. These interviews helped to refine our research and shape our final recommendations and suggested tactics as Ellsworth moves forward.

The bulk of this report comprises market analysis data on Ellsworth's retail and dining sectors, recommended strategies for both traditional and hybrid funding, and our final recommendations for East End community development. The traditional funding model section breaks down funding ideas for Ellsworth community development, including grants, community foundations, and the creation of a Business Improvement District (BID). The hybrid funding section provides information about nontraditional, profit-generating funding streams for community development, similar to the work E3 is already accomplishing in Ellsworth by creating the Etown Collective. The hybrid funding section focuses primarily on public markets and provides case studies of successful public markets in other Wisconsin communities.

The final portion of the report includes the proposed plan for an Ellsworth Public Market. This plan was informed by both the market analysis data on the restaurant and retail mix in Ellsworth, as well as our research into hybrid funding models. It provides two potential locations for this market in the East End. The report concludes with a set of final recommendations:

- **Pivot towards a local cultural district**
- **Combine traditional and hybrid funding to reach your goals**
- **Create pathways for community involvement**
- **Keep the momentum going, and rely on data and subject experts**
- **Take advantage of the UW-System for professional development and advice**

In addition to the text, this report also contains appendices detailing potential grants and loan programs E3 may take advantage of, a list of interviewees and subject experts consulted for this project with contact information provided, and the complete market analysis data. The market analysis data was largely provided at no charge by William Ryan, a Distinguished Lecturer and Community Business Development Specialist with UW-Extension's Center for Community and Economic Development. This data formed the basis for the facts and figures in the "Market Analysis of Ellsworth" section of this final report.

Statement of Purpose

As students of the Bolz Center for Arts Administration at the Wisconsin School of Business, we are dedicated to bringing the best parts of both the business and social sectors together.

Partnering with the community of Ellsworth for our capstone consulting project allowed us to not only use the tools and frameworks of community development we have learned, but also the knowledge acquired in our business curriculum. It was our intention to bring a new and different perspective to the work that the UW-Extension team had undertaken with the community in the past and to help the town implement some of the ideas generated during its 2018 charrette. By helping Ellsworth research and evaluate the proposed projects generated during the charrette and determine an implementation plan for the future, we hope to leave a lasting impact on the Village and its people.

Our Thanks and Promise

We are grateful to the entire Ellsworth community, especially those who participated in the 2018 Design Charrette and the members of the Ellsworth Chamber of Commerce and the E3 Community Development Corporation, who have taken the lead on this project. Your input and advice have been vital, and we could not have produced this final report without it. We appreciate the trust that you have placed in the Bolz Center. Although there is no one who truly knows what is best for the future of Ellsworth better than the residents who live and work there every day, outside eyes and ears can sometimes help a community to see the bigger picture. We have brought together the different ideas and hopes for the town into a cohesive narrative and created a plan with which to move forward. We hope that our participation in this process can affirm the work that your community has already accomplished since the 2018 charrette, including forming the E3 organization, creating a community housing and development authority as part of the Village Board, staging a pop-up market in empty storefronts in order to activate the East End, and creating the Etown Collective as a mechanism to generate funds to support Village projects. E3 is also moving forward with plans to create a dog park and a trail system in Ellsworth, and these projects will be supported with funds from the Etown Collective. In keeping with the forward momentum in the community, we hope that this report will help identify the next steps you can take to build on the work you have already accomplished and continue to ensure the bright future of Ellsworth.

Why the Bolz Center?

Ellsworth and E3 had been clear from the beginning that desired outcomes from our project would include a market analysis/redevelopment plan for the East End and recommendations for a funding model to pay for the redevelopment and other future projects to serve the entire village. In any community-based project, the most important directive is to discover the needs and desires of the community rather than superimpose our own thoughts and ideas. The Bolz Center students were originally invited to work on this project so that we could bring our unique arts and cultural lens to bear implementing some of the ideas generated during the 2018 Community Design Charrette, particularly the creation of an arts and entertainment district in Ellsworth's

East End. Although the plan for an arts and entertainment district had great potential, it did not seem to be the best fit with the Village's identity. Rather, we discovered that the East End redevelopment would fit better with the community's needs by celebrating the assets it already possesses and focusing on local culture. The East End is home to a creamery, a meat processing facility, traditional Wisconsin bars, and is situated near ATV and snowmobile trails. By leaning into and embracing this very "Wisconsin" culture, the East End can become a vibrant tourism district. Instead of focusing on arts and creative placemaking, this plan leverages our core business coursework and the expertise of our network, including professors at the Wisconsin School of Business, UW-Extension educators, and many others, to support this project and address the needs of the community.

Situation Analysis

By staging the community design charrette in 2018, the "Ellsworth Communities Connect" (an ad hoc group of passionate community members) wanted to provide Village members with a platform to share their personal hopes for the future of the Village. They also wanted to find ways in which to capitalize on the attention and crowds generated by the annual Cheese Curd Festival to make Ellsworth a destination year-round. The Ellsworth Cooperative Creamery draws approximately 175,000 visitors to Ellsworth a year, up to 14,000 in a single busy weekend and the Cheese Curd Festival, hosted by the Ellsworth Chamber of Commerce but sponsored by the Creamery, is the Village's premier attraction for local and out-of-town traffic. In the last two years, the event drew 30,000 visitors (approximately 10 times the population of the Village) to Ellsworth for a weekend each summer. There was also a strong, shared desire communicated during the charrette to redevelop Ellsworth's underutilized East End, adjacent to the Creamery, to capture some of the tourism revenue from the Creamery and the Curd Fest for the entire Village. The multiple vacant storefronts and commercial properties, many of which are being used for storage/residential purposes against Village ordinances, represent an opportunity. The East End is also strategically located. It is anchored on either side by the Creamery and a large public park, and it is situated near Highway 10, which runs adjacent but not through the East End as it does the main downtown area in Ellsworth. With investment in business recruitment and

redevelopment of some of the buildings and streetscapes, the East End has the potential to be vibrant and welcoming to locals and tourists alike.

In order to capture the momentum Ellsworth has built since its charrette and continue to build on the goals of making the East End a vibrant district that serves the whole community, the Bolz Center for Arts Administration capstone consulting project includes a market study and development plan for the East End, in addition to a traditional and a hybrid funding model to fund both the East End development and other, future community projects. This report includes data analysis, figures, images, and actionable recommendations that the village can implement. It also consists of contact information and links to funding opportunities and subject experts that the village can consult if they move forward with implementation.

Assumptions

Ellsworth has already proven to be a forward-looking and proactive community. Ellsworth is fortunate to have a group of citizens committed to making their community a vibrant place to live, work, and play. We hope to reaffirm the incredible work that is already being done in the community and provide recommended actionable steps that are justified by data analysis and relevant case studies. We will then identify and offer resources and recommendations that will help with the next steps of the projects and initiatives that are already underway. There are naturally some assumptions built into our data analysis and models. We are working with data sets from a variety of sources, including publicly-sourced data, data from Ellsworth partners, data compiled by UW–Extension educators with some assumptions built in on their part as well, case studies, and other subjective sources. Although all sources are cited and assumptions are noted where relevant, please keep in mind that our recommendations are based on the best numbers we have available and we cannot guarantee a perfect representation of the reality of the situation. This report is intended to provide Ellsworth with our best estimations and recommendations given the information available to us.

Methodology

The Bolz Center for Arts Administration began its field research with an initial site visit to Ellsworth in the fall of 2019. After conducting an initial site visit report, we did preliminary research based on feedback about that report, and selected the avenues of research we would pursue further to provide Ellsworth with our recommendations. We also conducted interviews with community stakeholders, UW-Extension specialists, and the University of Wisconsin-Madison faculty. We wanted to draw upon the expertise of other professionals and the expertise of local residents and business owners. Between January and March 2020, the Bolz Center team interviewed the following people in relation to the different needs in the community.

- E3 Community Development Corporation
 - Ellsworth's background, potential public market locations, and ongoing East End development plans.
- Ian Aley, Green Fund Program Manager
 - The Madison Public Market MarketReady Program, spoke with him for ideas and feedback about our public market/business incubator idea.
- Ellen Jacks, UW-Madison Grants Librarian
 - Provided feedback and research advice for the traditional funding model.
- Paul Bauer, CEO Ellsworth Cooperative Creamery
 - A key stakeholder in the Ellsworth community and the East End, Paul provided information about plans for East End development in the near future and his feedback on our initial ideas for this report.
- Kristin Runge, Community Development Specialist at UW-Extension
 - Provided information and advice about public markets, small-town marketing plans, and private investment opportunities for rural development.
- Bill Ryan, Community Business Development Specialist at UW-Extension
 - Provided a variety of advice and information about small town and downtown development, business recruitment, and other subjects. Bill is an expert in his field, and has worked widely in a number of Wisconsin communities.

- Bill also provided data and some data analysis for our report from a few of Extension’s databases that we would otherwise not have access to. The data included information about:
 - ESRI demographic tapestry data for Ellsworth, which is part of the Rustbelt Traditions demographic
 - A market profile of Ellsworth
 - Business locator and summary data
 - Data relating to market potential in Ellsworth

After concluding interviews with community stakeholders and sector experts in early March (with some exceptions) we conducted additional background research and continued to expand our data analysis for the final report. We identified and analyzed relevant case studies, and utilized community development tools in order to help frame and guide the recommendations we provide below.

Market Analysis of Ellsworth

This section compiles the market data that we gathered and analyzed for Ellsworth and the East End, including the data provided by Bill Ryan from UW-Extension and other data. The purpose of this section of the report is to understand what types of businesses are needed in the East End and to perform a market assessment of the businesses currently operating there. This analysis helps us to better understand the local economy in Ellsworth and provide a benchmark evaluation with other communities in Wisconsin. Our aim in doing so is to provide Ellsworth with a roadmap for future efforts at business recruitment and development in the East End and provide a solid foundation of data with which to back up these recommendations.

We focus primarily on food service businesses in this section, because we believe that this type of business is best aligned with the vision of the community of Ellsworth and its leaders. Serving as a benchmark for our study, the following tables show the average number of businesses in this sector by population, median age, and household income.

Figure 1: Average and Share of Food Service Establishments by Population

Population	Average Food Service Establishments	Average Food Service Establishments per thousand people	Average Share of Food Service Establishments/Total Businesses
2500-7500	30.76	8.18	14.35%
7501-12500	71.32	7.57	14.00%
12501-17500	96.18	6.32	14.86%
17501-22500	101.83	5.40	15.00%
22501-27500	139.50	5.69	16.75%

Figure 2: Average and Share of Food Service Establishments by Population's Median Age

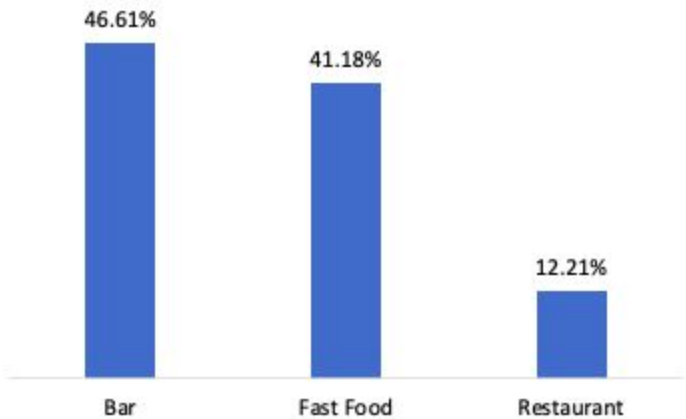
Age	Average Food Service Establishments	Average Food Service Establishments per thousand people	Average Share of Food Service Establishments/Total Businesses
<25	110.33	7.55	18.40%
25-30	84.00	5.37	15.94%
30-35	8.00	2.53	8.70%
35-40	48.80	7.30	14.24%
40-45	54.07	8.03	14.51%
45-50	41.64	8.91	13.72%

Figure 3: Average and Share of Food Service Establishments by Household Income

HH Income	Average Food Service Establishments	Average Food Service Establishments per thousand people	Average Share of Food Service Establishments/Total Businesses
<50000	46.25	6.03	15.45%
50000-69999	58.18	8.74	14.39%
70000-89999	44.04	6.92	14.36%
90000-109999	43.07	5.57	13.83%
110000-130000	27.00	4.19	12.42%
>130000	96.00	12.56	18.64%

Ellsworth is a small community with a population of 3,353. The median age of its inhabitants is 38.2 years old and the average household income is \$71,120. On the surface, Ellsworth seems to be close to the average (although below in some aspects) of other similar communities in Wisconsin. Currently, there are 29 food service businesses in Ellsworth. Compared to other communities, Ellsworth falls below average, when age and household income are used as a comparison, and on average when looking at population.

Figure 4: Percentage of Food Service Businesses by Category



The number of total businesses dedicated to food service is comparable to other Wisconsin communities. However, we see that when we separate these businesses by category, overwhelmingly, the most prevalent type of food service businesses in Ellsworth are bars and drinking establishments. Additionally, 41% of the stores are fast-food chains and only 12% were family-owned or independent restaurants. We believe that a focus on independently owned food service business and family establishments will benefit the East End and the community as a whole. It is important for the community to provide more community meeting places and establishments that are accessible to all ages.

Figure 5: Food Spending Away from Home Market Size (yearly)

	Ellsworth	Pierce County
Total	\$9,100,000	\$57,200,000
per capita	\$3,310	\$3,650

One reason that spending is higher on average in Pierce County than it is in Ellsworth may be that village residents are spending their money elsewhere when they cannot find businesses that fit their needs locally. We believe that a more diverse mix of restaurants and businesses will bring spending up to the average in Pierce County, generating approximately an extra \$1 million dollars to Ellsworth’s food service market per year.

Figure 6: Food Away from Home Market Size - Projected Scenario (yearly)

	Ellsworth
Total	\$10,035,000
per capita	\$3,650

Market Analysis Recommendations

Focus on independently owned food service business and family establishments. It is important for the community to provide more community meeting places and establishments that are accessible to all ages. A more diverse mix of restaurants and businesses will bring spending up, generating approximately an extra \$1 million dollars to Ellsworth’s food service market per year.

Funding Models and Strategy for Ellsworth Community Development

This section of the report will contain the proposed methods for funding not only the development of Ellsworth’s East End but also ideas for sustainable, profit-generating funding models that can support future community projects that serve the entire village. It is broken into

two distinct sections, hybridized funding models and traditional funding elements. Traditional funding models include the commonly recognized slate of funding mechanisms used by many nonprofits. This includes grants (from both government and foundation sources), major gift fundraising from local donors, community funds and other community fundraising mechanisms, and tax revenue and other fee-based models for raising funds in a local downtown or business district.

In contrast, a hybrid funding model, as the name suggests, combines elements of traditional nonprofit fundraising with a for-profit stream of funding. Some nonprofits create a separate for-profit entity to generate profit in addition to funds it raises. The for-profit streams are sometimes taxed differently from the original nonprofit entity—which are tax-exempt—but only in the case where the for-profit activities do not align with the goals and mission as stated in the nonprofit’s articles of incorporation.

Traditional Funding Model

Grant Funding Opportunities

In addition to the profit-generating hybrid model of funding East End development and other village projects, this section provides a model for more traditional funding streams. One of the primary sources of traditional funding that E3 might access in order to fund development projects includes grants. In particular, there are various government grants directed through the Wisconsin Economic Development Corporation (WEDC) that Ellsworth may qualify for.

Please see Appendix 1 for a resource sheet outlining specific grants and loan programs we have identified as the best potential opportunities to fund the East End redevelopment and other village projects.

Business Improvement Districts

Aside from grants, another option for funding improvement projects in the East End that has great potential is to create a Business Improvement District, or BID. A Business Improvement District functions like a special tax district, in which local business and building owners contribute a special assessment, paid into a segregated account in the municipal treasury. The

funds are collected by the village and returned in full to the BID in order to support supplemental services and capital investment in the district. The chief executive officer of a BID is typically the mayor, city manager, village president or town chairperson, and there must be a board of at least five directors appointed by the local legislative body. A full accounting of the requirements and process of creating a BID are outlined in **Wisconsin Statute 66.1109: Business improvement districts.**

There are over 1,000 BIDs throughout the country, and as of 2018, Wisconsin ranked third in the nation for states with the most BIDs, with 83. BIDs can be found in any size Wisconsin community, but unlike in most states, Wisconsin has a disproportionate number of BIDs in small communities. According to the national BID census completed in 2008, 20.7% of BIDs are located in communities with a population under 25,000. In Wisconsin, that proportion jumps to 48.8%.¹ Many Wisconsin BIDs focus on the more traditional aspects of downtown development including:

- Physical improvement to buildings
- Installation and maintenance of street furnishings, lighting, landscaping
- Marketing and promotional programs
- Advocating on behalf of district businesses

BIDs are funded and operated by businesses, property owners and other community members located within a district's defined boundaries. One of the advantages of creating a BID in the East End would be to lessen the burden on the entire community to fund development projects in that area, instead securing buy-in from the local business and property owners who own or operate in the East End. Although it may seem at first glance that an extra membership fee for a BID may deter business recruitment in the East End, in fact a BID can act as an incentive for external investment by developers and sometimes to secure external grant funding by demonstrating momentum and the commitment of the local business owners in community development/improvement efforts. A functioning and robust BID allows business owners to share the burden of maintaining their business district. According to Dr. Charles Law, Director of UW-Extension's Local Government Center, "BIDs can often muster collective action on

¹ <https://www.superiorbid.com/an-examination-of-wisconsin-bids/>

issues requiring more than municipal leadership and can initiate marketing campaigns and retain professional expertise and physical improvement projects that business owners would be unable to afford on their own.”² The formation of a BID can also create a shared sense of responsibility for the aesthetics and perceived quality of a district.

This is a crucial point for Ellsworth, given the current condition of many of the buildings in the East End. The area has seen disinvestment for a number of years, and many of the building owners are absentee landlords using former storefronts for storage or rental properties against local zoning ordinances. Forming a BID would create a source of funding to assist local building owners in maintaining and updating their storefronts and undertaking other projects. It would create a shared safety net for any new businesses that might move into the East End as redevelopment takes place, and act as a tool for business recruitment. A BID is also a more sustainable funding stream in the long-term than relying on downtown development grants, which are not guaranteed, and would allow the money raised through the E3’s Etown Collective and other hybrid model activities to support the business incubator and other projects that can serve the wider Village community.

Community Funds

Finally, Ellsworth might additionally look into the possibility of creating a community fund in order to create a sustainable traditional funding mechanism for community improvement and development projects. A community fund would allow engaged community members and key businesses to contribute funds directly to community projects. There are various examples of successful community funds in Wisconsin, including at the Community Foundation of Central Wisconsin, the Southern Wisconsin Community Foundation, the Madison Community Foundation, and many others. One caveat is that a community fund can require staff time and resources in order to manage and invest. Many smaller communities across the state have overcome this by creating separate funds for their municipality managed by a larger repository such as the Community Foundation of Central Wisconsin, or the Madison Community Foundation, which serves the greater Madison area. The nearest potential community foundation

² <https://www.superiorbid.com/an-examination-of-wisconsin-bids/>

of similar size in Ellsworth's area is the St. Croix Valley Foundation (SCVF). The organization currently provides support to ten volunteer-driven affiliated community foundations in the region, including the River Falls Community Foundation, in one of Ellsworth's neighboring towns. The St. Croix Valley Foundation provides things like 501(c) credentials, fiduciary expertise, board and committee guidance, and office and staff support.

We recommend that E3 reach out to the St. Croix Valley Foundation for support to create an affiliated community foundation in Ellsworth. Before doing so, E3 should draft long-term goals for its funding and create separate buckets for funding priorities, such as community projects (the proposed dog park and trail system), grant funds for individual businesses, scholarship funds, cultural projects, or whatever identified needs in the community that align with E3's mission. Once long-term goals and specific funding priorities have been identified, SCVF can help set up the Ellsworth Community Foundation and begin accepting and managing local donations from engaged community members and local businesses. Once the new Ellsworth Foundation is up and running, E3 can intensify its marketing and development efforts to promote the foundation and increase individual donorship.

Hybrid Funding Model

Regarding the proposed profit-generating activities for E3, we recommend the creation of an entrepreneurship hub, such as a public market, for Ellsworth. By having shared spaces and costs such as utilities, Ellsworth would be creating a space with lower investment risk than those of a stand-alone business. Lowering barriers to entry in the form of both costs (start-up and long-term) and risk will benefit individuals who could not afford to open a business otherwise. It will make business recruitment in the East End, which currently represents a business risk because of disinvestment and lack of other businesses, much easier.

The E3 could use the idea of a public market to generate revenue to reinvest in different community development projects around town. There are two different ways that the E3 would generate revenue from the public market:

- 1) The E3 manages the rental agreements and the upkeep of the public market operations. As managers E3 keeps a percentage of the money generated by renting spaces to local entrepreneurs.
- 2) The E3 manages one of the businesses in the public market. E3 invests in opening one of the businesses hosted in the public market. The profits of operating the business are reinvested in another E3 project.
 - a) This option might also help to encourage other businesses to participate, by providing an anchoring organization that is committed to the venture. It may otherwise be difficult to secure initial buy-in. One answer is that the Etown collective might take such a role, but it might be easier to attract more businesses with something in the model of a coffee shop or eatery.

Case Study: Sherman Phoenix in Milwaukee, WI

“Sherman Phoenix is a pioneer model for economic inclusion and building community wealth that will be replicated many times in the future.” *Ellen Gilligan, President and CEO of the Greater Milwaukee Foundation*

As an example of how a community has used a hybrid model and social entrepreneurship to create a public market, we will describe the case of Sherman Phoenix in Milwaukee. Sherman Phoenix is a hub for small businesses, nearly all owned by African Americans, that range from restaurants and other food vendors to a hair salon, yoga studio, clothing boutique, and a handcrafted jewelry shop. It is located in Milwaukee’s Sherman Park neighborhood, which has historically been neglected by private and public investment.

Sherman Phoenix operates in a renovated former BMO Harris Bank branch that was torched during the 2016 riot in the Sherman Park neighborhood. The \$4 million project was originally funded by a wide range of investors, such as the City of Milwaukee, the Wisconsin Economic Development Commission, and about 50 community members who put in between \$1,000 and \$10,000 for ownership stakes as part of a crowdfunding effort. Three angel investors, including Milwaukee Bucks Senior Vice President Alex Lasry, also generously donated funds.



As part of the design process, the project team worked with neighbors to determine not only the aesthetics of the building but also what types of services and activities that the space should provide. This engagement process helped the community to gain ownership of the project as the key stakeholders. As a result, the public market space is arranged around a central common area

with long tables, ideal for community interaction. This community space also serves as a place for a variety of events including classes, movie screenings, and live music. Local artists will be featured throughout the building in both permanent and rotating exhibits.

The key to the success of the gathering space is the abundance of fresh food. The shared commercial kitchen supports numerous vendors with small kiosks. Five vendors have dedicated kitchens to produce food including fresh juice, gourmet popcorn, pizza, and vegan specialties. Sherman Phoenix is a clear example of social entrepreneurship, and an investment model that helped heal a community in need of positive social and economic change.

Although the social aspects of Sherman Phoenix are worth replicating, we understand that Milwaukee and Ellsworth are not comparable demographically. Next, we will explore a more applicable case study in a smaller, Pennsylvania community.



Case Study - Tionesta Market Village

Tionesta, PA (population 500) is a small town approximately two hours north of Pittsburgh. The town is located in a historically wealthy area and surrounded by natural beauty. The idea of a seasonal market came from one of the staff members at the Forest County Industrial Development Authority (ICA). Julia McCray saw an opportunity in an unused lot near the downtown area. With a minimal investment of \$40,000 provided by the ICA, community leaders built pop-up sheds in an 1800's style, reminiscent of traditional architecture and similar in style to a European holiday market. The sheds are used as business incubators for entrepreneurs.



In the words of Julia McCray. “The goal was to create healthy traffic in the downtown that would help boost sales at our existing businesses, spur new businesses, encourage façade improvements, and attract a developer to the site.” The solution to an unattractive empty lot was a proven success. Not only did the community love the market, but the market supported nearby businesses, leading a local coffee shop and the art gallery to extend their business hours. The big advantages for small business owners in this model, just as the Sherman Phoenix example, are:

- A significant lower barrier to entry for small businesses, because start-up costs are lower. Business owners are asked for an initial investment of \$500 and a monthly lease of around \$70, which makes the model affordable.

- Lower barriers to exit. Traditionally, if a business is struggling, closing up shop represents a huge financial hit and owners may lose money on their lease or by selling a property for less than they paid for it. It can also cause issues regarding business succession planning. In this case study, those barriers disappear.
- Facilitates a trial and error mentality. Lower barriers to entry and exit mean a faster turnover of businesses. This will make sure that successful businesses remain open and failing ones make way for new ventures.
- Benefit business experimentation. This model can be used as a stepping stone for businesses that try a smaller scale concept before growing. Business owners acquire valuable skills and knowledge during this start-up phase that they can apply later into a larger operation.

This example already fits very well with the work that E3 and the Ellsworth Chamber of Commerce have already done with the pop-up market in fall 2019. It would provide long-term and continuous opportunities for Ellsworth business owners to test their ideas and eventually grow successful ideas to occupy some of the East End's vacant storefronts.

The Ellsworth Public Market

It is our recommendation that Ellsworth can combine the social enterprise aspects of the Sherman Phoenix model, the business development and experimentation aspect of the Tionesta Market Village, and Ellsworth's own pop-up initiatives to create something exciting and transformative for the community. During our conversations with community members, it was clear that there is a strong sense of entrepreneurship in Ellsworth. During the month of October of 2019, a pop-up shop market was installed in some of the East End vacant properties. The event was a success not only in terms of sales but also in showing that community members needed a space to bring new business ideas to Ellsworth. This is why we believe that emulating the Sherman Phoenix model on a smaller scale will give the community the location and the framework to try new business ideas with a smaller initial investment.

Potential Locations

In conversation with members of the E3 and the Chamber of Commerce, different sites were brought up for weighing in the pros and cons of developing a public market concept in each of them. From this group, two sites were selected because of the potential shown.

249 N Broadway St

This location is currently vacant and the owner is willing to sell. The property is approximately 4,800 square feet. This is a good potential location for a small footprint market. Because of the minimal square footage, the number of businesses inside this market would be limited to only two, or three at a stretch. We recommend a mix of food service businesses to occupy this space. Since this side of town lacks a coffee shop, such a business is a good potential candidate for this location. The proximity to the Ellsworth Creamery could be also exploited by adding a cheese-related food service stand.



The pros of this location are:

- The owner is known to be willing to sell the property
- The location has a historic charm
- Only space for a couple of businesses, could serve as an excellent pilot project
- The potential cost for renovation is lower than the alternative

The cons of this location are:

- The limited space makes scalability impossible

- Low ceilings could make the community space seemed cramped
- A limited mix of businesses, may not have a big impact in the East End

254 N Morse St:

This location is currently being rented and used as a storage facility. This property is approximately 8,500 square feet and has high ceilings. However, the structure is a pole shed and the renovation process would be more expensive. The size of this area would be enough to accommodate a large and airy community area. The high ceilings would give more sense of space to the center of the public market. This space could have up to 5 or 6 businesses around a common community area, with communal tables following the Sherman Phoenix model. The mix of the businesses could vary but we recommend that at least 50% of the space is dedicated to food or drink items. The other half could be dedicated to specialty retail or services. In the mix of businesses dedicated to food and drinks, we recommend having a coffee shop and a cheese-related food service stand due to the proximity to the creamery.

The pros of this location are:

- This location will host more businesses than the alternative
- Size of this location is more adequate to the spirit of the public market idea
- The size of the location would enable more community activities to be hosted

The cons of this location are:

- Potential higher renovation and construction costs
- Not known if the owner is willing to sell or rent the property for another use

This short comparison between potential locations is by no means an exhaustive list of prospects. Within this section, we simply wanted to spark an initial conversation and point out some of the potential benefits and opportunities of choosing one type of location versus another. The East End does not have one space that stands out as the prime candidate for this type of business model, but the recommendation still stands. A public market would be an excellent opportunity for experimentation and business development/recruitment in a disinvested neighborhood and

this model can be used to tackle the socioeconomic barriers some of Ellsworth's would-be entrepreneurs might experience.

Recommendations and Next Steps

In the near future, E3 will have to decide whether and how they want to move forward with the redevelopment of Ellsworth's East End. In this document, we provide stakeholders with guidelines for some strategies to create a vibrant and functioning East End Local Cultural District and outline the potential economic benefits of investment. We have consolidated our ideas for the next steps for Ellsworth into a few recommendations:

Pivot towards a local culture district. The East End redevelopment would best serve the community's needs by celebrating the assets it already possesses and focusing on local culture. Ellsworth should invest in business recruitment, including businesses that provide community meetings spaces and serve both tourists visiting the creamery and the local population. Ellsworth should also encourage independent restaurants and eateries that are welcoming to all ages and further create a sense of community in the East End.

Combine traditional and hybrid funding to reach your goals. We recognize the desire to secure grant funding and other traditional revenue nonprofit streams to support E3. However, also consider other more sustainable funding models, such as creating a BID or developing hybrid business ideas. These models generate stable cash flows that can supplement initial investments or one-time grant funding. The Etown Collective is a great example of what the community has already done to achieve this goal, and a public market might be another possible model to generate long-term, sustainable funding for the East End and other future Village projects.

Work with the Creamery and other local business partners to develop a strategic plan for the East End. The Ellsworth Cooperative Creamery is one of the largest employers in the Village and provides an anchor point for the East End. The Creamery is already investing in plans for future development in the district, so the community and E3 should work closely with them and other employers and business owners to create a long-term plan for the East End. It is

always easier to get things done when leveraging local partnerships to secure investment and buy-in. Focus on key properties, ways to link different streets and businesses in the East End, and ways to convert tourism traffic from the Creamery into traffic for other businesses that open in the area.

Create pathways for community involvement. In order to reinvest in the East End and create a vibrant tourism and local culture district, Ellsworth needs to encourage local involvement and create a culture of engagement and volunteerism. Some of E3's efforts, such as sustaining the collective or fixing up storefronts to be used in future pop-up markets, may depend on volunteers and the engagement of village members. E3 should consider creating paths for volunteering with the local school district for high school business students, share their plans for the East End with the community to encourage small donations, and create other pathways for the community to be involved—and therefore feel a sense of buy-in—with the East End development.

Keep the momentum going, and rely on data and subject experts. This report provides a brief market analysis and summary of the economic potential of the East End. It is a small snapshot of that potential over the course of this semester. Where necessary, rely on local and state resources to conduct a more in-depth market analysis, analyze potential tax base and property tax revenue if the East End were to reach its full potential, and create a marketing plan to share Ellsworth's progress both during and after redevelopment. Appendix 2 provides a list of contacts we made during the course of this report who can provide further support to the Ellsworth community and expand on the work we have accomplished so far.

Take advantage of the UW System for professional development and advice. We propose that to help business owners in their first steps as entrepreneurs, the Chamber of Commerce or E3 organizes regular professional development opportunities. We recommend the Small Business Development Center at the University of Wisconsin-River Falls. This nationally accredited organization offers no-cost consulting and business education.³

³ Small Business Development Center at UW-River Falls <https://wisconsinsbdc.org/centers/riverfalls/>

Appendixes

Appendix 1: Recommended Grants and Loan Programs

WEDC Community Development Investment Grant

- <https://wedc.org/programs-and-resources/community-development-investment-grant/>
- The program will support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community-driven efforts. Funded activities should lead to measurable benefits in job opportunities, property values and/or leveraged investment by local and private partners.

USDA Rural Business Development Grants in Wisconsin

- <https://www.rd.usda.gov/programs-services/rural-business-development-grants/wi>
- This program is designed to support small and emerging businesses in rural areas.
- Beneficiaries may include towns, communities, and nonprofit entities among others, making both Ellsworth and E3 eligible.
- Funds may be used for training and technical assistance, land acquisition, community economic development, and other specified purposes
- Wisconsin application deadline was March 31, 2020, similar deadline each year.

WEDC Business Development Loan Program

- <https://wedc.org/programs-and-resources/business-development-loan-program/>
- The program will support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community-driven efforts.
- Funded activities must lead to measurable benefits in job opportunities, property values and/or leveraged investment by local and private partners.
- Eligible recipients include municipalities and governmental authorities designated by a municipality on its behalf.

The BCPL State Trust Fund Loan Program

- Finances community and school projects across Wisconsin.
- <https://bcpl.wisconsin.gov/Pages/LoanProgramHomePage.aspx>
- Loans to municipalities and school districts for public purpose projects including economic development, local infrastructure, capital equipment and vehicles, building repairs and improvements, and refinancing existing liabilities to reduce future borrowing costs.

US Economic Development Administration (EDA) grants

- <https://www.eda.gov/funding-opportunities/>

- These grants support construction, non-construction, planning, technical assistance, and revolving loan fund projects under EDA’s Public Works program and EAA programs. Grants and cooperative agreements made under these programs are designed to leverage existing regional assets and support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities.

Capacity Building (CB) Grant Program

- <https://wedc.org/programs-and-resources/capacity-building-grants/>
- The program provides funds to assist organizations and local and regional economic development groups to further the goals of WEDC in its efforts to foster an advanced economic development network within the state of Wisconsin.

Wisconsin Main Street Grant

- <https://wedc.org/programs-and-resources/main-street/>
- Provides technical assistance to communities in the planning, management, and implementation of strategic development projects in downtowns.
- Ellsworth is already involved with Connect Communities, which supplements the Main Street Program by expanding its services to communities across the state.
- May be further opportunities with this program as Ellsworth invests in the East End.

WHS Façade Grants

- Depending on the historic value of the East End buildings.
- <https://www.wisconsinhistory.org/Records/Article/CS4177>
- Communities of many different sizes across the state have successfully used facade grant programs to improve their historic commercial downtowns. These programs typically award facade grants for these two types of projects:
 - Restoring the original appearance of a historic building
 - Updating the facade of a historic building with new awnings, signs, etc.
- This program may not be suitable for East End redevelopment purposes, especially if buildings in the downtown require updating rather than restoration

WEDC Idle Sites Redevelopment Program

- <https://wedc.org/wp-content/uploads/2018/11/Idle-Sites-Redevelopment-Program.pdf>
- The program offers grants of up to \$500,000 to Wisconsin communities for the redevelopment of sites that have been idle, abandoned or underutilized for a period of at least five years.
- Only eligible for sites of at least 5 acres, so not applicable for East End underutilized properties but may be useful to the community for future projects.

Otto Bremer Trust

- Recently adjusted geography and granting priorities to include community investment projects in Wisconsin through the use of program-related investments and/or social impact bonds.
- The Bolz Center has a connection with the Otto Bremer Trust, Dominic Papatola, Senior Program Officer. Ellsworth may want to contact him directly about potential funding opportunities for Ellsworth and the East End.
 - Email: dpapatola@ottobremer.org
 - Phone: 651-312-3660

Appendix 2: Contact sheet for interviews and subject experts

Name	Position	Association	Contact Information
Bill Ryan	Community Business Development Specialist	UW-Extension	william.ryan@wisc.edu
Ed Freer	Principal Landscape Architect	GRAEF	Ed.Freer@graef-usa.com
Kristin Runge	Community Development Specialist	UW-Extension	kristin.runge@wisc.edu
Jennifer Engel	Community Programs Specialist	USDA Rural Development	Jennifer.Engel@usda.gov
Ellen Jacks	Grants Librarian	UW-Madison	ellen.jacks@wisc.edu
Ian Aley	Program Manager, Green Fund	UW-Madison	iraley@wisc.edu

Appendix 3: Market analysis data for Ellsworth

Please see attached PDF files in [this link](#)

Documents attached:

- Business Summary
- Market Profile
- Restaurant Market Potential
- Tapestry Market Segmentation Area Profile
- Traffic Count Map