



FITCHBURG SUMMARY OF RESEARCH & ANALYSES

PROVIDED TO:
City of Fitchburg

09.13.12

 Fitchburg

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retain, expand, attract

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A. About this Report

Background

The City of Fitchburg is a suburban community adjacent to Madison, Wisconsin. It is the third largest community in Dane County in population and encompasses just under 36 square miles of land area. The northern third of its land is designated as the urban service area where sewer and water service is available and development is allowed. The southern two-thirds is predominantly farm land and at this time is preserved for agriculture and green space except for small pockets of residential and commercial areas that developed when Fitchburg was still a township prior to incorporation in 1983.

The City of Fitchburg, although a relatively young City, has a history of providing proactive leadership when it comes to land-use. For example:

- The City of Fitchburg completed a master land use plan update incorporating smart growth principles in 2010. An urban growth boundary map identifies future development areas in Fitchburg. The City has also developed a vision called the Fitchburg Technology Neighborhood that dedicates three technology employment centers: Fitchburg Center, Fitchburg Technology Campus, and Nine Springs of Fitchburg.
- In mid-2011, the building of the U.S. Highway 14 interchange began, which will create another main east-west arterial with East Cheryl and Lacy Road extensions through the City and will provide convenient access to hundreds of acres of prime development land.
- In late 2011, the City began implementing its SmartCode, which is offered as an optional alternative to conventional zoning.

In early 2011, Fitchburg business and government leaders articulated a need for an economic development and marketing strategy to best position its local economy for the future.



Project Objectives

The objective of this project is ***to proactively position Fitchburg's local economy within a regional context to remain competitive and sustainable in the next five to ten years and beyond.***

Principles

- There is no “perfect location.” Every location has its own unique, optimal positioning. Part of the deliverables is to discover Fitchburg's.
- Fitchburg's economy is interdependent with that of the greater region in which it operates.
- Care will be taken to build off of work that has already been done by local, regional and statewide groups.
- Business retention and attraction go hand-in-hand with talent retention and attraction; and both of these include quality of place elements.
- Economic development strategies and marketing strategies must be developed in conjunction with one another, rather than treated as separate “silos.”
- Fitchburg's umbrella community brand positioning will serve as the foundation for both the economic development and marketing recommendations/action plans.
- While the needs of citizen, employers and visitors differ, they all must be considered in the development of the overall branding positioning.

Project Overview

The approach to this project is as outlined below. We have completed the secondary and primary research and synthesized this information for developing the economic development and brand development/marketing action plans.



SUMMARY OF KEY PROJECT INPUTS AND OUTPUTS			
Secondary Research	Primary Research	Key Outputs	Key Deliverables
Existing Plans		Fitchburg's locational assets	
Existing Reports & Studies	Stakeholder Input	Assessment of Fitchburg's economic base	
Current Marcom Materials	Online Survey	Umbrella positioning statement	
Current Marketing Activities	Economic Impact Study	Specific industries whose requirements do now or are expected to align with Fitchburg's	Economic Development Recommendations & Action Plan, which will include policy recommendations
Locational Assets	Local Market Focus Group	<ul style="list-style-type: none"> Identify two or three additional target industries 	
Current Employers	Major Employer Interviews	<ul style="list-style-type: none"> Develop Fitchburg's positioning within each 	Marketing Recommendations & Action Plan
Target/Cluster Industry Analysis	City Staff Focus Group	City logo and/or tagline	
Labor Force Match		<ul style="list-style-type: none"> Logo version for Economic Development purposes Logo version for Visitor purposes Brand standards 	

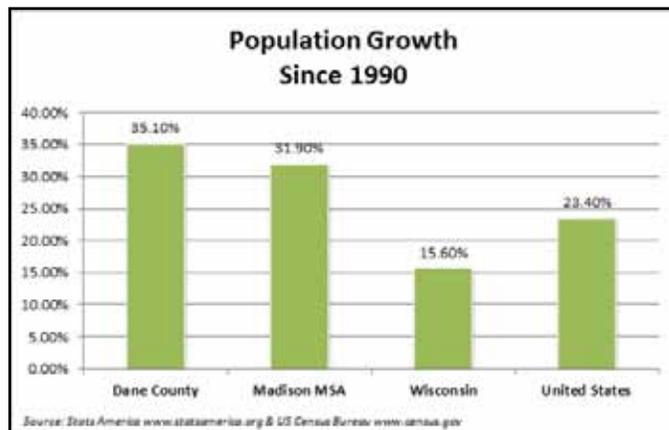
B. Locational Assets

Population Characteristics

Population Factors	Asset Competitiveness	Comment
Population Growth		The Dane County and Madison MSA have been gaining population faster than State and US averages since 1990. From 1990 to today Fitchburg has seen population growth of about 59%.
Age Cohorts		Fitchburg has a diverse age demographic. There is a large base of family households with children under 18 in single family neighborhoods. The city also supports a large population of young families, single young professionals, empty nesters and elderly in the various multifamily condominiums, rental units and senior housing facilities.
Race and Ethnicity		Racial makeup of the City was 65% White, 10% Black and 5% Asian. Hispanic or Latino of any race was 17% of the population, which is significantly above national average. The diversity adds to cultural opportunities and quality of life.
Median Household Income		At \$60,803 for median household income, Fitchburg is above the Madison MSA median and far above the State and National median incomes. The high median household income correlates to education levels, quality of life and spending potential; all important to private sector decision makers.

Population and Growth

As of the 2010 Census there were 25,260 people in Fitchburg. The City has seen dramatic growth since 1990, approximately 59%, as have many Madison suburbs. As the economy recovers, Fitchburg should continue to grow as it has available land and already-developed subdivisions that have not yet been absorbed. There are a number of new developments in the design stage as well which include residential units. Overall, Fitchburg is clearly a growing city within a growing region; this will appeal to a company that is looking to grow within a strong economy.



Key



Fitchburg is at an advantage.



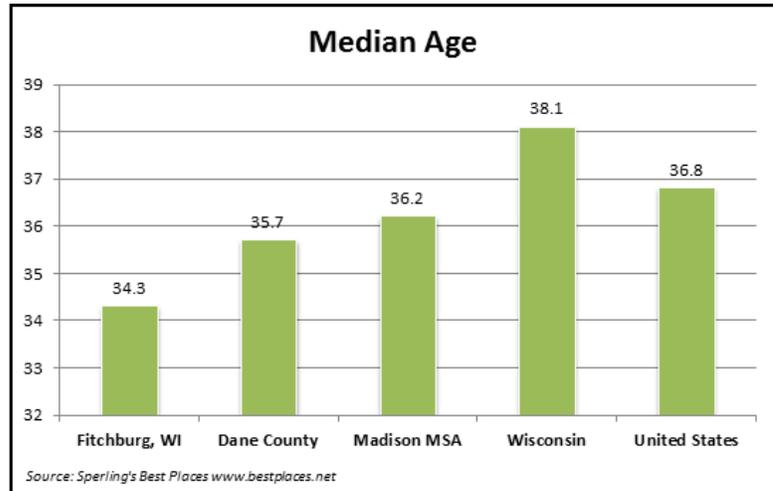
Fitchburg is at a net neutral position.



Fitchburg is at a disadvantage.

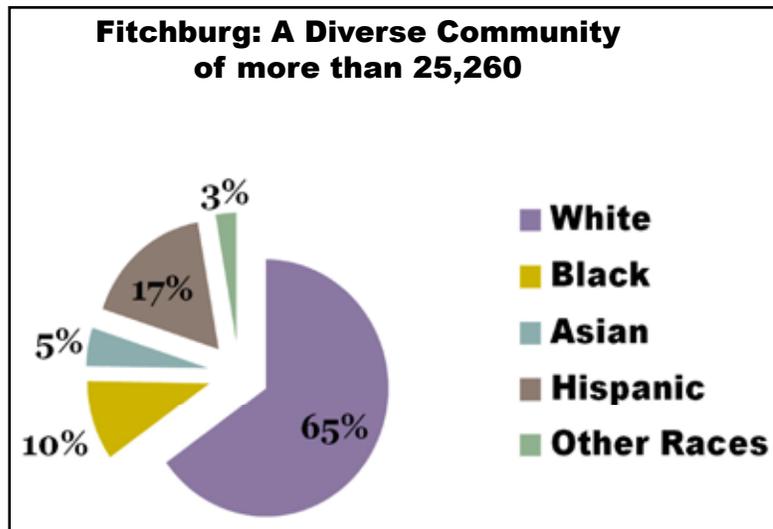
Age

Fitchburg is a relatively young community with a median age of only 34.3. There are a high number of households with children (33.6%) and housing units such as multifamily and rentals to accommodate young professionals. The importance of this criteria is discussed further in the Labor and Talent section.



Demographics

The primary racial makeup of the City was 65% White, 10% Black and 5% Asian. Hispanic or Latino of any race was 17% of the population, which is significantly above national average. In comparison, Dane County is 84.7% White and only 5.2% Black and 5.9% Hispanic or Latino. Diversity is often used in site selection projects as a measure of cultural opportunity and ability to attract young talent.



Labor and Talent

Labor and Talent Factors	Asset Competitiveness	Comment
Availability of Unskilled & Semi-Skilled Workers		Employers are able to find necessary labor. The size of the labor shed suggests the labor pool is adequate but not excellent.
Cost of Unskilled & Semi-Skilled Labor		The greater Madison region is a high labor cost area within an above average labor cost State. Although competitive with surrounding states, labor costs can be significantly higher than other regions of the country.
Availability of Skilled Industrial Workers		Manufacturing processes in the Fitchburg area are largely dependent on skilled labor. The talent availability patterns are similar to those of "unskilled" labor.
Cost of Skilled Industrial Labor		The greater Madison region is a high labor cost area within an above average labor cost State. Although competitive with surrounding states, labor costs can be significantly higher than other regions of the country.
Availability of Science, Technology, Engineering and Math (STEM) Workers		The presence of UW-Madison and the quality of life offered in the region develops and allows for retention of ample STEM labor.
Cost of STEM Labor		Typically concentrations of STEM talent are in high cost markets: Boston, San Diego, San Francisco, Austin, Seattle, etc. Because of this, the Madison region can be highly competitive in STEM labor cost.
Availability of Managerial/Executive Personnel		Existing managerial and executive talent may be minimal. However, all companies report that it is easy to recruit upper level talent to the area.
Cost of Managerial/Executive Personnel		The competitiveness in this area depends on the collection of competitor locations. Compared to larger metros that are engaged in the same industry activities, the Fitchburg region is much more competitive. However, compared to other regional hubs, the market is fairly expensive.
Quality of Labor-Management Relations		Despite being in a high union state, Fitchburg actually has lower union participation than the national average.
Availability of Post-Secondary Vocational Training (e.g. Community Colleges)		The region has ample access to vocational training programs. However, there is not a concentrated focus on training programs tailored to company needs.
Access to Major University/ College		The University of Wisconsin-Madison is a world renowned, premier research institution that offers access to talent and intellectual property.

Key	
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	Fitchburg is at a net neutral position.
	Fitchburg is at a disadvantage.

Access to talent is the number one location consideration for almost every type of businesses. When considering labor requirements businesses are typically concerned with three components:

- 1) Availability of labor
- 2) Cost of labor
- 3) Labor Pipeline

Availability of Labor

Specific labor requirements vary by business type and process. However, for a location like Fitchburg and the types of businesses which are active in the region, labor pools are best understood if categorized as:

- Unskilled/Semi-Skilled
- Skilled Industrial
- Science, Technology, Engineering and Mathematics (STEM)
- Managerial and Executive

Unskilled/Semi-Skilled Labor

Unskilled and Semi-Skilled labor includes most retail positions, many consumer services, administrative support staff and some manufacturing processes. The ability to find and retain unskilled and semi-skilled workers is dependent on market size, education level and worker attitude. The greater Madison region has sufficient population to provide access to unskilled and semi-skilled workers. However, the overall high level of education means the percent of population interested in those jobs is less than in other metros of similar size. That being said, worker attitude, productivity and general “employability” is high within the region. This means the pool of unskilled/semi-skilled labor may not be as deep as competing metros, but those available are more likely to be productive employees. In fact, multiple interview subjects pointed to the local, lower-income population in Fitchburg as an ideal pool for very reliable, hard working semi-skilled labor.

Although current businesses do not report much difficulty in finding satisfactory unskilled/semi-skilled labor, the labor shed from which they draw can be very large; up to two or three counties away. This reveals two things:

- 1) Madison and surrounding communities are an employment destination for this type of worker
- 2) The density of unskilled/semiskilled workers is not great

As a result, it could prove problematic for new businesses seeking large numbers of unskilled/semi-skilled workers to find labor if they are drawing from the same, diluted labor pool.

Availability of Skilled Industrial Workers

Production processes across the country are moving up the value chain and demanding higher levels of skill among workers. This is even more prevalent in higher cost production markets like the Midwest. In Fitchburg, there are companies in plastics, appliance manufacturing, bio-technology and scientific instrument manufacturing that all demand very skilled, precision workers. In all of these cases finding employees is not a challenge. However, because the region is not an industrial economy, there is less “churn” among skilled industrial workers and therefore fewer available employees that are highly experienced and fully trained. This means that companies are forced to invest in more on-the-job training. On the other hand, the fewer job alternatives also helps promote retention.

Science, Technology, Engineering and Math (STEM) Workers

High-tech clusters can be found in many industry sectors; bio-tech, software, aerospace, medical device, etc. In every case, STEM workers are the backbone of industry activity. Given Fitchburg's business base, it, and the surrounding area, can be considered as having a strong high-tech cluster. As expected, the area has excellent access to STEM type labor.

This fact is strongly supported in occupation concentration data. The table below provides the concentration index for each of the segments that make up STEM occupations. The index is provided in relation to national averages (1.0). That means if a place has a concentration index of 2.0, they have twice as many people employed in that group of occupations than would be expected. The data show that the Madison MSA is extremely concentrated in Scientists, Computer Related Occupations and Engineering Related Occupations. Math, while lower, is still above average.

Madison MSA Concentration of STEM Labor	
	Madison MSA Concentration Index¹
Scientists (all types)	4.11
Math Related Occupations	1.24
Computer Related Occupations	5.79
Engineering Related Occupations	2.08

¹ Where 1.0 = National Average
Source: Bureau of Labor Statistics (2010)

The presence of the University of Wisconsin provides not only ample access to entry level talent, but also is a valuable asset in recruiting. Every business interviewed that requires STEM talent expressed no issues in finding that talent, with the exception of some very high-level employment needs. When companies demand PhD level talent it can be difficult to recruit and retain that talent if their significant other is similarly educated. In smaller metro areas like Madison, secondary employment opportunities can be limited. In other words, if both individuals have PhDs (not uncommon), it can be difficult for the second individual to find a job in the Madison area after the first is recruited to a local business. This same reality also limits the ability for PhD level employees to move between jobs. None of the interviewees noted this as a significant barrier, but it is a consideration.

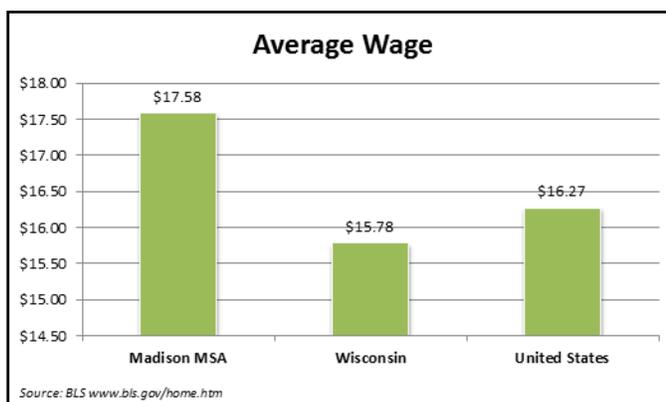
Much of the STEM talent comes from a population that is younger than for other occupations. As such, median age of a geography can, to some extent, reveal the likelihood that young, highly educated STEM talent will be available. In addition, median age also indicates the presence of quality of life factors that attract young talent. From the Median Age chart in the previous section it is immediately apparent that Fitchburg is a very young city. This is both an indicator of talent supply, as well as a tool that can be used to attract additional STEM talent.

Managerial/Executive Personnel

Management and Executive talent is important to almost every business, and this is the one category of labor where recruitment is often expected. The need to recruit out of state was definitely a theme among the businesses interviewed. However, they all felt recruiting to the Madison area was not difficult. Ultimately, the Madison region is not large enough to supply the majority of upper level management and executive leadership. However, the high quality of life and national reputation of the area removes the barrier of recruiting those individuals.

Cost of Labor

Cost of labor varies by industry in relation to supply and demand, productivity and often unionization. The first data point for understanding labor cost is simply average wage. When comparing average wages it is clear that the Madison MSA is significantly higher than Wisconsin and the United States. This information, while important, should be interpreted carefully.



The Madison area has a much higher concentration of high paying jobs than the rest of the state and the nation; this does not necessarily mean that it is higher cost than other areas when comparing similar occupations. In fact, the data show that the Madison MSA's STEM labor costs are on par with national averages. In the table below are aggregate median wages for the Madison MSA and the nation for the fields that make up STEM labor. Madison is highly competitive in all of them.

Aggregate Median Wages for STEM Labor		
	Madison MSA Median Wage	National Median
Scientists	\$63,000	\$70,000
Computer and Math	\$65,000	\$61,000
Engineering	\$70,000	\$70,000

Source: Bureau of Labor Statistics (2010)

Competitiveness of management and executive costs are going to depend on peer cities. If the alternative locations for a company are in traditional headquarters cities (Chicago, Atlanta, Minneapolis, Los Angeles, New York City, etc.) the Madison region will offer much lower executive labor costs. However, compared to other medium, regional headquarters locations, Madison will be more expensive. The data in the following table suggest that overall, the Madison MSA is slightly more expensive.

Aggregate Median Wages for Management Occupations		
	Madison MSA Median Wage	National Median
Management Occupations	\$88,000	\$82,000

Source: Bureau of Labor Statistics (2010)

Another key factor in labor cost is unionization potential. The state of Wisconsin as a whole has a high union presence. However, Fitchburg's unionization level is actually below national averages. This is likely due primarily to the mix of industries in the area. Although this statistic is significant in terms of perception, it does not necessarily indicate the presence of unions in existing or future production facilities.

Union Representation			
	Fitchburg	WI	US
% of population that are members of a union	10.0%	14.2%	11.9%

Source: Bureau of Labor Statistics (2010)

Labor Pipeline

The final component of the labor environment is the labor pipeline. Turnover occurs in any business, an established pipeline ensures that labor availability remains adequate over time. The primary institution(s) responsible for ensuring a robust pipeline are secondary, vocational and higher education providers. Although the multiple school districts present in Fitchburg are perceived to be a negative in terms of quality of life, all three high schools are above average in terms of educational quality. Likewise, the University of Wisconsin, Edgewood College, and Upper Iowa University turn out thousands of well educated students prepared to enter the local workforce. Filling the role of vocational education is Madison College. The two year school offers a wide array of programs that are capable of preparing students for jobs in almost every industry sector. Fitchburg companies are not aware of customized training opportunities available through Madison College so there is opportunity for collaboration.

Business Environment and Local Economic Development

Business Environment Factors	Asset Competitiveness	Comment
<i>State Business Climate</i>		
Workers Compensation Costs		Wisconsin ranked 33rd according to a 2010 study by the State of Oregon. Its rate of \$2.21 per \$100 in payroll was near the middle of all states; the lowest is North Dakota at \$1.02 and the highest is Montana at \$3.33.
Unemployment Insurance Costs		Wisconsin ranked 21st out of 50 in Unemployment Insurance Tax Rate according to the 2012 Tax Foundation State Business Climate Index Study. Costs are varying between 0.3% to 10%.
Corporate Income Taxes		Wisconsin ranked 32nd out of 50 in Corporate Tax rate according to the 2012 Tax Foundation State Business Climate Index Study. State corporate income taxes are 7.9%.
Personal Income Taxes		Wisconsin ranked 45th out of 50 in Personal Income Tax rate according to the 2012 Tax Foundation State Business Climate Index Study.
State Incentives		The new Wisconsin Economic Development Corporation has developed a number of new programs and standards for providing incentives for economic development projects. They have been very active in providing funding but it is too early to benchmark total dollars against other states.
State Regulatory Environment		The 2011 Forbes "Best States for Business" study ranked Wisconsin 35th for Regulatory Environment. Their ranking considered a number of metrics influenced by the government such as tax incentives, economic development efforts, government debt, tort liability, right to work status and transportation infrastructure.
<i>Local Business Climate</i>		
Local Regulatory Environment (compared to region)		Fitchburg is supportive of development and the business community. Fitchburg generally follows Dane County standards for development with a few exceptions for detention, but is overall comparable to other Dane County communities. Fitchburg is the first community in Dane County to adopt an alternate zoning code named "Smart-code" which is an optional code that allows flexibility for some types of development.
Local Incentives (compared to region)		Fitchburg has been active in its use of TIF, its primary economic development finance mechanism, especially for the purposes of business and industrial park development. The level, however, is comparable to other Madison area suburbs, all of which have demonstrated willingness to use the tool to attract development.
Local Property Taxes (compared to region)		2010 Gross Equalized Rate according to Department of Revenue for the City of Fitchburg is .02301, slightly lower than the Dane County city average of .02318 but higher than Wisconsin overall average of .02206.

Key	
	Fitchburg is at an advantage.
	Fitchburg is at a net neutral position.
	Fitchburg is at a disadvantage.

Overall State Business Climate

At the State level, Wisconsin is not highly ranked amongst other States for business climate, regulatory environment or taxes. A 2012 Tax Foundations State Business Ranking Study ranked Wisconsin 32nd for Corporate Tax Rate and 45th for Personal Income Tax Rate. A 2011 Best States for Business ranking had Wisconsin at 40th for overall business climate. While the Forbes Study ranked Wisconsin 8th for Quality of Life, it was below average for all other measures including Economic Climate, Labor Supply, Regulatory Environment, Growth Prospects and Business Costs. These rankings are admittedly not always an accurate measure of business environment; however, they are the sources that are regularly used by businesses and private investors when examining states at the macro-level. That is why it is important to consider the states performance in them.

Taxes

According to a 2011 study by the Tax Foundation, Wisconsin ranks 43rd in the nation for total tax burden. This is due to one of the highest personal income taxes rates and higher than average corporate income taxes and property taxes. Wisconsin had lower than average sales taxes and unemployment insurance rates, but these are typically not major considerations in the overall tax environment.

Regulatory Environment

The 2011 Forbes study ranked Wisconsin 35th for Regulatory Environment. Their ranking considered a number of metrics influenced by the government such as tax incentives, economic development efforts, government debt, tort liability, right to work status and transportation infrastructure. The land development regulations and process, particularly from the Wisconsin Department of Natural Resources, is more demanding than national average, and companies regularly complain about the uncertain process and delays that are common with the WDNR. More regionally, Dane County has an added level of regulation on development above what the State of Wisconsin requires, particularly when it comes to stormwater regulations and the extra process that Capital Area Regional Planning Commission requires for Urban Service Area extensions.

Local Business Climate

Within Dane County, the business climate in Fitchburg is comparable or slightly better than other communities. Fitchburg in general has a community which embraces its business community, proactively develops land and space for new enterprises and protects those land uses through community planning, although there may need to be modifications to future land use plans in order to get the most out of economic development activities.

The City also has one of the few Economic Development Departments with staff devoted to that effort. Most Dane County communities assign Economic Development activities to City Administrators, planning departments or elected officials. In addition, during the business interviews, it became apparent that the Economic Development staff, the new mayor, and the Fitchburg Chamber are already viewed as an advocate for local businesses. This feeling of support is critical to developing a positive business environment.

Incentives

The State of Wisconsin spends less than the national average on business incentives per capita. However, the new Wisconsin Economic Development Corporation has developed a number of new programs and standards for providing incentives for economic development projects. Additionally, many of the most valuable incentives come at the local level, particularly Tax Increment Financing (TIF). The City of Fitchburg has been active in creating TIF districts to assist specific businesses and developing business parks. The City typically uses the incentives to pay for a portion of public infrastructure for new development, which in turn helps keep developed land costs lower to the eventual business tenants. The City of Fitchburg's TIF districts have been successful and have generated sufficient revenues to pay for expenses incurred. Fitchburg's use of TIF does not necessarily set them apart from other communities in Dane County, or nationally, but it does ensure they can compete for projects at the local level.

Local Economic Development Factors	Asset Competitiveness	Comment
Level of Professional Staff, Funding Levels, Leadership Support		Fitchburg has a dedicated Economic Development Department with direct reporting to the Mayor and City Council. It is one of only three communities (Sun Prairie, Madison, Fitchburg) in Dane County to have this position and has clearly demonstrated a commitment to economic development. The City also has a Community & Economic Development Authority (CEDA) that reports to the Common Council.
Presence of Public-Private Partnerships		Fitchburg has developed several public-private partnerships, mostly related to providing TIF funding for large commercial and mixed use developments. The City of Fitchburg and ED staff work closely with the Fitchburg Chamber of Commerce.
Cooperation and Coordination of Economic Development Activity Between Organizations		The regional economic development entity is Thrive. Although they are currently sorting out organizational issues, Fitchburg has worked well with them on some regional marketing initiatives such as BIO, SBIR Conference and the Stem Cell Summit. Fitchburg could benefit from future opportunities with the proposed Dane County Economic Development office.
Support for Economic Development in the Community		The Fitchburg populace has always been active in community initiatives. Support for economic development goals can at times be at odds with other issues important to the community such as green space, high density, etc. The Fitchburg survey did show significant support for the kinds of industries that exist in Fitchburg such as high tech, biotech, advanced manufacturing and other creative enterprises. Note that the Comprehensive Plan may need to be modified to reflect these goals
Availability of Land	 	Fitchburg has ample space to grow within its boundaries, including parcels of 40+ acres, unlike Madison and many other communities. However, it currently has no 40+ acres "shovel-ready" sites, an issue that needs to be addressed and which may involve revising the Comprehensive Plan.
Local Land Use Support for Economic Development		Economic development initiatives can require significant amounts of land. Because of the land use requirements in the comprehensive plan, it may be difficult to promote some types of uses (e.g. larger, lower density manufacturing). Although land use requirements could be a hurdle, there is no reason they have to be a long-term barrier.

Markets and Infrastructure

Markets & Infrastructure Factors	Asset Competitiveness	Comment
<i>Access to Markets</i>		
Access to Regional Markets		In this context, regional markets would be defined as the upper Midwest. Fitchburg provides neither a competitive advantage nor disadvantage in this area. In Wisconsin the ideal locations for access to regional markets is the I-94 corridor between Milwaukee and Chicago.
Access to National Market		The perception of national market access will depend on the business activity. National distributors would never consider Fitchburg as a viable location because of its far-north location, relatively high costs, and relative distance to intermodal hubs. However, a local manufacturer that needs to ship nationally can adequately do so.
<i>Transportation Network</i>		
Positioned to Serve International Markets		If a company is shipping bulk or break bulk they can utilize Midwest ports for international product. Container shipping will have to be done through the east or west coast.
Access to Interstate Highways		Fitchburg has easy access to US 12/14/18/151 which provides a route to I-90 and I-94. The new US 14 interchange will also be a positive.
Access to Commercial Air Passenger Service		There is easy access to Dane County Regional Airport which is adequate in connectivity. However, there are very few direct flights and is not sufficient for heavy business travel.
Access to Corporate Airport		Between Dane County Regional Airport and Morey Airport there is ample opportunity to access the Madison region.
<i>Utilities</i>		
Reliability and Cost of Electric Service		Electric reliability is not an issue as it is served by multiple substations, however costs are only average.
Reliability and Cost of Natural Gas		Natural gas rates in Fitchburg are well below national averages. Reliability has never been a concern.
Capacity and Cost of Water and Sewer		Capacity is not an issue. Cost regionally is largely the same across Dane County because of standard MMSD interceptor fees and municipal sewer interceptor fees. There are no water hook-up fees in Fitchburg; these can vary dramatically across the country.
Capacity and Cost of Telecommunications		The Fitchburg region has standard access to average internet speeds; companies can have a T1 line run to their building for additional capacity. Because of a lack of competitors the cost for internet can be high. All cellular phone service is sufficient. A sonet ring serves the Fitchburg Technology Neighborhood area providing enhanced reliability.

Key	
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The importance of market access and infrastructure varies depending on the business activity. Distributors, for example, seek superior market access and transportation networks, while food processors need high capacity electric and inexpensive water and sewer. The assessment of Fitchburg's market access and provision of infrastructure is based on national averages and expectations, not on any one industry or business activity.

Access to Markets

Market access is what is known as an uncontrollable factor. There is nothing within the power of economic developers that can improve a city's market access; it is determined by geographic location. The geographic location of Fitchburg is such that it has fairly limited market access outside the region.

As a location for regional distribution within the Midwest or national distribution, Fitchburg is not as desirable as other locations in Wisconsin, like Pleasant Prairie, or Illinois. That being said, there is nothing about the location or transportation access that negates the ability of a company to distribute as they need. In other words, a regional or national distributor is unlikely to select Fitchburg as a base of operations. However, a manufacturer could successfully distribute product regionally or nationally with little problem; ease of market access would simply not be a competitive advantage for that company.

International market access is more challenging. There are opportunities for bulk and break bulk distribution using the Great Lakes network. However, the economy present in Fitchburg is not one which includes many companies looking for these options. Product movement using containers will require that a company ship their product to one of the coasts for international delivery. This is certainly achievable, and plenty of Wisconsin companies do it regularly. However, if international shipments make up a substantial part of the business, and the operation was portable, Fitchburg would not be an ideal location.

Transportation Network

Transportation network includes highway, air and rail. Rail access is not a defining trait for the Fitchburg region, however, the local economy is not one that demands superior rail access; rail is not a factor that is going to be at the top of the list for any company looking at Fitchburg. Given the difficulty in securing rail investment from the major providers it is also a factor that is not easily controllable from the local level. Note that Fitchburg owns a 15-mile stretch of rail jointly with the Village of Oregon from McCoy Road to just north of Evansville between US 14 and Syene Road that it acquired with a freight railroad preservation grant. The City and Village are hopeful that this line will be activated some time in the future to serve the Alpine Business Park in Oregon

Highway access to and from Fitchburg is excellent. Almost every part of the City has easy access to US 12/14/18/151 (The Beltline), which provides immediate access to I-39/90 and I-94; these routes then open up to Milwaukee, Minneapolis, and Chicago. There are some concerns from local companies about traffic on local roads, but these problems do not appear to be out of line with expectations, and future road expansion should help address the issues.

The quality of local air access is dependent on the need. Dane County Regional Airport is adequate for occasional business travel. However, there is not a sufficient number of flights or direct flights for it to be a hub of travel for a company that demands that level of access. If a business demands corporate air service the options are far more robust. Both Dane County and Morey Airport offer corporate jet access.

Utilities

The utilities component includes power, natural gas, water and sewer, and telecommunications. Power is provided to Fitchburg by MG&E and Alliant Energy. Reliability of both providers is excellent. The table below shows that power rates in Fitchburg are on par with both the Midwest and the National Average. In summary, Fitchburg provides adequate to excellent reliability and capacity at average rates.

Electric Cost Comparison (per kWh)			
	Fitchburg, WI	Midwest	National Average
Residential	\$0.15	\$0.11	\$0.10
Commercial	\$0.10	\$0.10	\$0.09
Industrial	\$0.07	\$0.06	\$0.06

Source: Fitchburg: MG&E; Midwest & National Average: US Energy Information Administration

Natural gas availability and cost can be critically important to certain manufacturing processes. Gas, like power, is reliable and ample. Cost of natural gas is extremely competitive in Fitchburg. The national average is slightly over \$1.00 per therm, while costs in Fitchburg are only \$0.66 per therm.

Most of Dane County is served by Madison Metropolitan Sewerage District. When development occurs, developers have to pay MMSD interceptor fees when they bring developable lots online. Fitchburg, like Madison, also has municipal sanitary sewer interceptors; for which developers must pay both MMSD and Syene Sewer Interceptor fees. The amount of that fee varies depending on characteristics of the project; but Fitchburg is fairly typical in Dane County. The costs of water and sewer vary so dramatically across the country that it is hard to provide an overall opinion on the competitiveness of Fitchburg.

The final component in utilities is telecommunications; specifically broadband availability and speed and cellular service. Broadband in Fitchburg is both adequate but higher in cost. Commercially, customers have access to 100 Mbps service through Charter Communications. This speed is quite impressive. Companies demanding more bandwidth or symmetrical speeds can get dedicated T1 lines to their building through AT&T and/or TDS; however, the cost can be expensive. Overall, broadband access in the region is ample in terms of capacity, but, because of lack of competition (there are only two real providers) the cost can be higher than in other areas.

Given the metropolitan nature of the Madison region, all of the national cellular phone providers, and one major regional player, adequately serve the area with 3G. Verizon also provides LTE coverage and AT&T provides HPSA+.

Quality of Place

Key	
	Fitchburg is at an advantage.
	Fitchburg is at a net neutral position.
	Fitchburg is at a disadvantage.

Quality of Place Factors	Asset Competitiveness	Comment
<i>Physical Environment</i>		
Attractiveness of Physical Environment		Diverse physical appearance, high-density mixed use, large-lot single family, multifamily, office / industrial areas and a robust greenspace and park system all add to the variety and aesthetic quality of the City.
General Appearance of Community		With a few exceptions, most buildings and landscapes along major corridors are well-maintained; buildings are mostly newer construction and high-quality architecture.
Public Transportation	 	Fitchburg contracts with Metro Transit to provide bus transit services throughout the city.
<i>Housing</i>		
Availability of Executive Level Housing		There are a large number of homes valued at over \$300,000 in Fitchburg. This does, however, drive the median home value up to \$267,000 for the City.
Availability of Moderate Cost Housing		According to local realtors, the supply of entry-level single family homes is very low.
Availability of Rental Properties		According to the 2010 Census, Fitchburg had 4,674 renter-occupied housing units (47% of total City units). The units range from very affordable and rent-assisted units to higher-end new rentals in mixed use environments.
Overall Cost of Living		Fitchburg has a cost of living index of 119, slightly above the national average of 100 and higher than the scores for Wisconsin (93), and the Madison MSA (106). Much of the difference relative to Madison can be explained by newer and bigger than average houses.
<i>Cultural Activity</i>		
Level of Cultural Activity		The Madison region has a very active cultural scene and is consistently rated highly for its quality of life. The Madison offerings such as the Overture Center for the Arts, Chazen Museum of Art, Madison Children's Museum, Madison Symphony Orchestra, Wisconsin Chamber Orchestra, Madison Ballet, University of Wisconsin arts and sporting events, live music and festivals are all a short distance from Fitchburg. Fitchburg also has robust youth sports, festivals and events calendar supported by its large park system and public facilities.
Availability of Recreational Opportunities		Fitchburg has an extensive bike / pedestrian trail system that connects to the greater Dane County system; one of the best metro area systems in the Country. In addition, the Fitchburg park system is one of the largest among other Dane County communities, is well-connected to residential areas and offers several different landscapes that support a variety of passive and active recreational opportunities. Fitchburg offers a comprehensive rec program for all ages.
Availability of Shopping		Within City borders, there are retailers that satisfy most household needs including full-service grocery stores, general merchandisers, office supplies, electronics and appliances. In addition, more specialty goods are available in downtown Madison or the nearby East or West Towne Malls area.
Availability of Hotels		Quality Inn & Suites, Candlewood Suites, Country Inn & Suites and the Hickory Knoll B&B serve the City of Fitchburg, and there are plenty of other Madison area hotels within an easy driving distance of Fitchburg residents and businesses.

Quality/Availability of Restaurants		Fitchburg has a number of restaurants including fast food, casual dining and full-service dining. These restaurants cover a wide range of cuisines and price points.
Presence of a Central Business District/Downtown Area		The lack of a distinguishable downtown was identified often in the local survey as a detriment to the community. The City has made progress developing higher-density mixed use nodes as well as a civic campus centered near the library and corridors along Fish Hatchery Road and Highway PD, but a true single downtown does not exist.
Educational Quality		
Own School District		Fitchburg does not have its own school district, with residents split between Oregon, Verona and Madison school districts. This is problematic because it leads to a lack of cohesiveness. Note that Eagle School, a private school for gifted and talented children, is located in Fitchburg. All three school districts serving Fitchburg offer quality education.
Quality of Primary and Secondary Education		Graduation Rates (U.S. 84.72%): Madison West 87%; Oregon 95.4%; Verona 90.1% % on to Tech College or 4 Yr College: Madison West 62.3%; Oregon 76.9%; Verona 87.6% Average ACT Scores: Madison West, 25.4; Oregon, 24.1, Verona, 24.0; WI, 22 ; US, 21
Quality of Post-Secondary Education		The University of Wisconsin is a top 20 research institution nationally, and other quality private and technical colleges such as Edgewood, ITT, Upper Iowa University and Madison College have campuses near Fitchburg. 2-year College Graduation Rate: 8.74% (U.S. 7.47%) 4-year College Graduation Rate: 27.88% (U.S. 17.42%) Graduate College Graduation Rate: 19.10% (U.S. 10.12%)
Health		
Air Quality and Health Index		Gallup Healthways index rated Madison as the 6th highest-rated metro area in the nation for overall wellbeing. The Air Quality Index level in 2010 was 38.1 in Fitchburg, which is close to the national average of 32.0.
Availability of Medical Providers		The physicians per 100,000 population estimate for Dane County is 368.4 as compared to 220.5 for the US. In addition, numerous medical clinics exist in Fitchburg and throughout the suburban Madison metro region.
Crime Levels		
Level of Crime		National crime rate data show Fitchburg and Madison are near the national average for violent crimes, and slightly higher than average for property crimes. In addition, crime was a very common negative listed in the Fitchburg community survey and stakeholder input, so there is a perception of a crime problem among the local community.

Key	
	Fitchburg is at an advantage.
	Fitchburg is at a net neutral position.
	Fitchburg is at a disadvantage.

Physical Environment

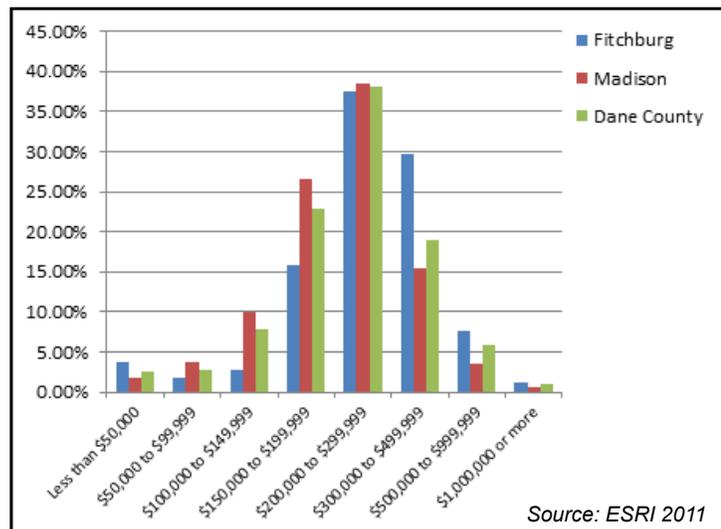
Fitchburg has a diverse physical environment including new high-density mixed use nodes along Fish Hatchery and Highway PD, more traditional large-lot suburban neighborhoods, and ample greenspace including wetlands, wooded and prairie landscapes. The City's park and trail system is very visible from the primary corridors lending to the aesthetic quality. Much of the commercial development visible from primary corridors is newer and of high architectural quality. There are some areas of blight and deteriorated buildings along the City's northern edge but for the most part the City environment is one that portrays quality and safety, rich with amenities for local residents.

The most commonly cited negative aspect of the City's physical environment was the lack of a downtown. This leaves the City without an identifiable center nor strong sense of place.

Housing

Fitchburg has housing stock of 10,666 units, of which 9,955 were occupied; 47% by renters and 53% by owners. The 2010 Census shows 39% of housing units were single detached units, and the rest some form of multifamily. This data supports the idea that Fitchburg has a good mix of housing options for all lifestyles and household ages. However, there are few entry-level single family homes.

Despite the diversity of housing type affordability has been identified as a problem in the survey and stakeholder interviews. Much of the owner-occupied housing stock is large and new, and therefore more expensive than surrounding communities. The chart supports this claim and shows the small percentage of units under \$200,000 in Fitchburg as compared to Madison and Dane County. However, if house costs are examined on a cost per square foot basis, Fitchburg is actually among the least expensive communities in the area. This means that absolute housing cost is high, however, value of housing is strong, as shown by the analysis below conducted by Stark Company Realtors.



Row Labels	Column Labels	FITCHBURG - C	MADISON - C	MAPLE BLUFF - V	MIDDLETON - C	SUN PRAIRIE - C	VERONA - C (blank)
2009							
# Homes Sold		185	1,921	15	129	320	103
Average Selling Price		294,325	227,996	647,199	324,100	212,512	275,569
Average of Total Finished SqFt		2,543	1,785	3,532	2,364	2,019	2,248
Average of Price/FinSqFt		118	131	168	139	108	125
Average of Estimated Age		36	54	118	53	48	26
2010							
# Homes Sold		163	1,672	22	146	302	105
Average Selling Price		278,496	235,815	580,359	323,058	217,246	284,187
Average of Total Finished SqFt		2,531	1,856	2,991	2,358	2,178	2,232
Average of Price/FinSqFt		112	129	181	140	102	130
Average of Estimated Age		49	56	108	45	38	34
2011							
# Homes Sold		184	1,645	24	134	250	126
Average Selling Price		299,691	232,634	589,256	329,994	215,628	289,270
Average of Total Finished SqFt		2,767	1,891	3,105	2,345	2,208	2,370
Average of Price/FinSqFt		111	124	171	146	101	124
Average of Estimated Age		49	54	58	50	31	31
Source South Central Wisconsin MLS Data: Single Family Homes Compiled by Kelly Stelzer Stark Company Realtors							

Source: Stark Company Realtors

Cultural Activity

The Madison region has a very active cultural scene and is consistently rated highly for its quality of life; of which cultural vibrancy is a major factor. The Madison offerings such as the Overture Center for the Arts, Chazen Museum of Art, Madison Museum of Contemporary Art, Madison Children’s Museum, Madison Symphony Orchestra, Wisconsin Chamber Orchestra, Madison Ballet, University of Wisconsin arts and sporting events, live music and festivals are all a short distance from Fitchburg. Fitchburg also has robust youth sports, the Fitchburg Historical Society, a new central library, festival and events calendar supported by their large park system and public facilities. Overall, as evidenced by the ease with which businesses recruit talent, the greater Madison region offers big city offerings that are almost unparalleled in other similar sized metros.

Educational Quality

Primary and secondary education for Fitchburg residents is provided by three school districts, Madison, Oregon, and Verona, depending on where the resident is located. Each of these school districts offers excellent educational quality, and therefore this is listed as a positive competitive advantage. Verona Area School District has an elementary and middle school located in Fitchburg. Madison’s Leopold School is located adjacent to Fitchburg’s northern boundary. However, many respondents to the Fitchburg survey cited the lack of a school district as a problem for the community because it separates social networks and hinders the development of a cohesive community that matches the City’s geographic boundaries. Both opinions are accurate, but because it will be difficult to mitigate the segmented districts, it is best to leverage the quality. Also note that Eagle School, a private school for gifted and talented children, is located in Fitchburg.

Post-secondary education in the Madison area is a strong positive competitive factor. The University of Wisconsin-Madison consistently ranks as a top 20 research institution, and other University of Wisconsin system campuses within 50 miles include UW-Whitewater, UW-Baraboo/Sauk County and UW-Rock County. There are also many smaller colleges and technical or vocational institutes nearby including: Edgewood College, Madison College, Upper Iowa, Madison Media Institute, Concordia University, ITT Technical Institute and Herzing University. Overall the greater Madison area is among the best educated regions in the country, and this is directly due to the high quality secondary education in the area.



Health

The Gallup-Healthways Well-Being Index measures U.S. metropolitan areas for overall wellbeing, diabetes, obesity, frequent exercise, frequent produce consumption, city optimism, and the uninsured. In 2010, the Madison MSA was the 6th highest rated metro area in the nation. The Madison MSA showed a high occurrence of healthy habits, low obesity, high insured percentage and a high level of optimism in the population. As the chart shows, almost all categories improved between 2008 and 2010.

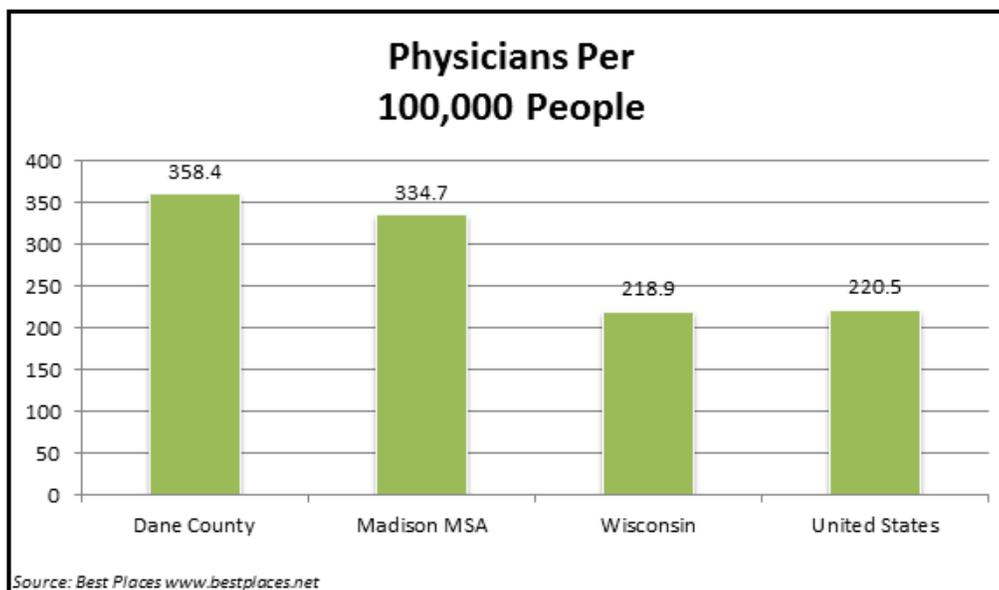
The physicians per 100,000 population estimate for Dane County is 358.4 as compared to 220.5 for the US. Numerous medical clinics exist in Fitchburg and throughout the suburban Madison metro region. Clinics from providers such as UW Health, GHC, Meriter and Dean are all within driving distance from Fitchburg. In addition, the primary Madison hospitals of Meriter, St. Mary's and UW Hospital are all within 10 miles of the majority of Fitchburg residents and businesses. These factors are very important to companies because population health directly impacts their bottom line through insurance premiums.

The Air Quality Index level in 2010 was 38.1 in Fitchburg, which is close to the national average of 32.0 (AIRNow, a joint government organization).

Gallup-Healthways Well-Being Index Madison, WI MSA

Madison, WI		
Overall Rank	2011	26
	2010	6
Life Evaluation	2011	53
	2010	9
Emotional Health	2011	30
	2010	22
Physical Health	2011	33
	2010	9
Healthy Behavior	2011	87
	2010	36
Work Environment	2011	54
	2010	26
Basic Access	2011	5
	2010	4

Source: Gallup-Healthways Well-Being Index, 2010



Crime Levels

Crime was an oft-cited problem for the City in the community survey. Residents have a perception that the area has a crime problem, and therefore it impacts quality of life, regardless of what the statistics show. The table below shows numbers of major crime categories reported in Fitchburg from 2008-2011. Also shown is a crime index from bestplaces.net that shows Fitchburg equal to Madison and US averages for violent crime but above the US average for property crime. Overall crime cannot be listed as a competitive advantage because it is an issue within the population. However, compared to most metro areas Fitchburg crime levels are not a disadvantage either.

Crime in Fitchburg by Year			
Type	2008	2009	2010
Murders	0	2	1
per 100,000	0	8.5	4.1
Rapes	2	2	3
per 100,000	8.5	8.5	12.2
Robberies	28	24	31
per 100,000	118.6	101.4	126.3
Assaults	39	32	50
per 100,000	165.3	135.2	203.8
Burglaries	96	65	66
per 100,000	406.8	274.6	269
Thefts	699	522	735
per 100,000	2962	2205.5	2995.5
Auto thefts	33	32	50
per 100,000	139.8	135.2	203.8
Arson	2	2	N/A
per 100,000	8.5	8.5	N/A

Source: city-data.com

Average Crime Rate			
	Fitchburg	Madison	US
Violent Crime	4	4	4
Property Crime	5	5	4

Source: bestplaces.net

Violent crime: on a scale from 1 (low crime) to 10, is 4. Violent crime is composed of four offenses: murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault. The US average is 4.

Property crime: on a scale from 1 (low) to 10, is 5. Property crime includes the offenses of burglary, larceny-theft, motor vehicle theft, and arson. The object of the theft-type offenses is the taking of money or property, but there is no force or threat of force against the victims. The US average is 4.

C. Cluster Industry Analysis

Background on General Economic Development Strategies

In the professional practice of economic development, it is generally acknowledged that there are three core strategies for economic development:

- Business Attraction
- Business Retention & Expansion (BRE)
- Business Start-Up or Entrepreneurial Assistance

Business Attraction involves attracting and recruiting businesses from outside the region. While the rewards of winning a new company to the region can be significant in terms of jobs, investment, and community morale, this is also the most difficult strategy to be successful at. It requires a significant amount of financial resources, specialized expertise, and time. For that reason, it is usually led by state and regional economic development groups, with county and local groups playing an important but limited role once a prospect has been identified.

Business Retention & Expansion is considered the bread and butter of economic development. Best practices usually involve a systematic, repeatable, and documented process for regularly reaching out to existing businesses and key major employers. The purpose of these confidential interviews are to anticipate future growth or contraction plans with a goal of furthering the city's economic development goals. Advanced strategies for BRE include an emphasis on "economic gardening," which has grown into a specialty practice area itself. Key economic gardening principles are sometimes adopted as BRE strategies, such as one-on-one consulting to current businesses on topics such as supply-chain management, identification of emerging markets, and partnering strategies.

Business Start-Up or Entrepreneurial Assistance epitomizes the "grow your own" model of economic development. Working alone or in conjunction with an Small Business Development Center, SCORE, University, and/or other resources, communities try to encourage business start-up. Given the amount of time required to execute this strategy and the failure rate of start-up companies, some communities are now focusing on "gazelles" or "second stage companies" – hoping to focus their resources on companies that have already made it through the initial start-up phases and that are showing promising signs of continued growth. The term "accelerator", rather than "incubator", is used in conjunction with this twist on entrepreneurial support.

Even if a community does not focus on Business Attraction, it is useful to understand the site selection process and corporate decision making process, as Business Attraction has the most stringent requirements. Some business expansion and business start-up work can also be considered "business attraction", such as when competing with a current or new employer to have them expand in your location rather than an alternative location.

Overview of E.D. Strategies for Fitchburg

Business Attraction

While business attraction will play a role in Fitchburg's economic development marketing strategy, we will likely recommend that Fitchburg pursue business attraction strategies that leverage regional and state initiatives and prepare Fitchburg for in-bound relocation opportunities. This is in contrast to mounting full-scale business attraction and recruitment campaigns. Therefore, the target industry exercise's key benefit is in identifying which specific industries have the best fit with Fitchburg and the highest likelihood of success so that Fitchburg can focus what business attraction resources it has on those initiatives and industries with the highest potential.

Please note that in the final plan, we also added in general industry sectors not directly included in the data-driven target industries so that Fitchburg doesn't "miss" any inbound opportunities where it might be competitive. The key tool we used to implement this is the positioning statement for Fitchburg in each of the general industry sectors.

Business Retention & Expansion

Most local- and county-level economic development organizations focus primarily on business retention and expansion (BRE), and with good reason. This strategy has historically provided the majority of jobs created, and is best done at the local level by individuals who are familiar with the major employers. BRE will undoubtedly be a cornerstone of Fitchburg's economic development marketing strategy.

Our approach to identifying BRE strategies will not center first on the specific industries of existing businesses, however. Instead, it will segment existing businesses into categories such as:

- Anchor employers
- Second-stage employers
- Etc.

BRE strategies will then be driven by this segmentation.

Business Start-Up or Entrepreneurial Assistance

This is the most time- and resource-intensive strategy relative to the expected number of jobs created. At the same time, the UW-Madison and Madison already have a relatively large number of incubators and business support systems in place. For these reasons, we are likely to recommend that Fitchburg leverage these existing resources, and not try to duplicate them on its own although Fitchburg has positioned itself for accelerator opportunities with the New Venture Center buildings..

Criteria for Identifying Fitchburg's Cluster Industries

The City of Fitchburg has a relatively diverse employer base, with a presence in industries including biotechnology, information technology, instrumentation, plastics, manufacturing, nanotechnology, and agriculture.

Recommended target industries for the City of Fitchburg were selected based on comprehensive quantitative and qualitative research and answers to questions such as:

- *How well do identified industries correlate with those recently identified by Thrive, the regional economic development enterprise whose territory includes Dane County and seven other counties?*
- *Which industries are a good fit for Fitchburg/the Madison Region/the State of Wisconsin/the Upper Midwest based on locational criteria?*
- *Which industries are a good fit with Fitchburg's current labor force, available properties, and employer base?*

Ultimately, the goal is to identify a portfolio of industries that reflect both current businesses (business retention and expansion focus) and new growth opportunities (business attraction).

Selection of Fitchburg Business Attraction Targets

The target industry analysis process began with desk research and was refined with additional qualitative and quantitative information. Business attraction efforts have the most rigorous requirements, which are also applicable to business retention and expansion efforts.

Target Industry Identification Process

AV ; PROPRIETARY PROCESS



Summary of Recommended Cluster Industries for Business Attraction Purposes

The key industries where we recommend that Fitchburg focuses its outbound business attraction efforts are in Technical Services & Production and in IT related industries, as well as in some very focused niches within office operations. Specific niches within each target industry are shown below as well as examples of Fitchburg companies that are already active in each industry.

Business Attraction Target Industries for Fitchburg			
TARGET INDUSTRY (outbound)	Technical Services & Production	IT-Related Industries	HQ, Regional and Back Office Operations
Niches	Scientific Research & Development, esp. in the Life Sciences	Data Centers	Insurance processing
	Scientific Product Manufacturing & Distribution, esp. in the Life Sciences	Software related to Health Informatics	Software Development and Publishing
	Architectural, Engineering & Related Services		
Examples of Fitchburg Companies in this area now	Promega Pike Technologies Bruker AKS KL Engineering JDR Engineers Town & Country The Madison Group United Vaccines Philips Medical Cameca Instruments Thermo Fisher	Insperity System Seminar Mapping Specialists CDW TDS Team Adesys Consulting Master Graphics Clear Channel	The Alliance St. Mary's Meriter (Novation Campus) Gordon Flesch Wisconsin Hospital Association CUES Auxiant Tri-North Builders

In addition, we are recommending that Fitchburg position itself to attract inbound inquiries related to other office operations (outside of insurance processing and software), other manufacturing (outside of Technical Services & Production) and local and regional distribution to support manufacturing. In this way, Fitchburg can position itself as a viable candidate for most if not all inbound opportunities that may present themselves.

The data-driven target industries identified by this research suggest that Fitchburg should focus on attracting:

- **Technical Services and Production**
 - Scientific research & development, especially in the Life Sciences
 - Scientific product manufacturing and distribution, especially in Life Sciences
 - Architectural, engineering and related services
- **IT-Related Industries**, such as data centers and software related to health informatics
- **HQ, Regional and Back-Office Operations**, such as insurance processing

In addition to these data-driven target industries, we are recommending that Fitchburg also position itself to capture inbound inquiries for the following industry sectors where Fitchburg and the Madison Region could be competitive in certain situations:

- **Other Manufacturing**
- **Local and Regional Distribution**, supports manufacturing industries

Like Thrive, the regional organization, **Tourism and Experience** has been identified as an opportunity area (rather than a formal target) for the Fitchburg Region. Enhancing the “product” of the Fitchburg Region strengthens targeting effort in other clusters by working to make the region attractive to an increasing spectrum of talent and firms. Fitchburg is able to offer the following to visitors:

- Five state bike trails along with numerous trails as part of the local park system
- Proximity to the Alliant Center, UW, and Downtown
- Equestrian events
- Fitchburg Days, Festa Italia
- Farmers market
- Bowling, IMAX
- Summer concerts, etc.

The City of Fitchburg is unique in that 2/3 of its land is currently dedicated for agriculture and green space. The local Fitchburg agricultural economic activity is valued at more than \$14 million. The 50-year growth boundary map and the comprehensive plan define the formal plan in place for development. While we work with existing farmers, Fitchburg should also explore non-traditional farming options and look to alternative farming uses such as community gardening and agri-based tourism.

Summary of Recommended Cluster Industries for BRE Purposes

A cornerstone of Fitchburg’s economic development marketing strategy will be a strong focus on business retention and expansion, - i.e., helping to grow businesses currently located in the area.

In this area, the specific industry of each company is secondary to each company’s needs. These needs can be characterized by factors such as size, business opportunities (and challenges), and stage in its development life cycle. Examples, based on the major employers interviewed, are shown below.

Business Retention & Expansion Focus for Fitchburg		
Reflects current industrial business base	Examples: Manufacturing Distribution R&D/technology Offices	Examples: Gordon Flesch Company Coldwell Banker KSW Construction Oak Bank Saris Stark Realty Tri-North Construction Wisconsin Dialysis
Cuts across many industries	Examples: Plastics Appliances Instrumentation Biotechnology Data Centers Food Processing Health Services Agriculture Software	Examples: Placon Sub-Zero/Wolf Thermo-Fisher Pike Technologies Bruker AKS Promega TDS Team CDW Citrus Systems St. Mary’s The Alliance Local Farmers Insperity
Segmented based on:	Size Business opportunities Life cycle stage Etc.	

Review of Regional Target Industry Clusters

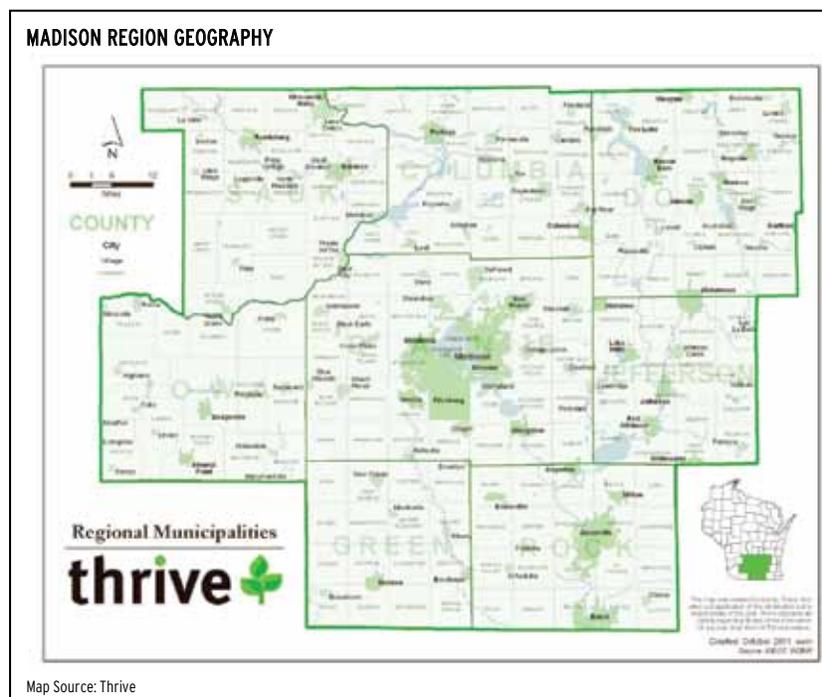
Thrive, the regional economic development enterprise for the 8-county region centered in Dane County, recently completed a Target Clusters Analysis. The findings of their analysis are shown below.

The Thrive analysis started with its existing targets – Advanced Manufacturing, Health Care, and Agriculture. It recommends that:

- **Advanced Manufacturing and Agriculture & Food Systems** be classified as “Legacy targets”, defined as “transitioning sectors in the regional economy with important historical influence and ‘next generation’ potential.
- **Health Care and Life Sciences** be classified as “leading targets” with “immense opportunities for growth.”
- **Design and Technology** be classified as an “emerging target,” one with the potential to create further economic opportunities within the region.

Within each target cluster, Thrive defined specific niche areas to help its staff and regional partners focus economic development efforts.

Lastly, **Tourism and Experience** has been identified as an opportunity area (rather than a formal target) for the Madison Region. Enhancing the “product” of the Madison Region strengthens targeting effort in other clusters by working to make the region attractive to an increasing spectrum of talent and firms.



Summary of Regional & Local Target Industry Clusters

Thrive Regional Target Clusters	Target	Advanced Manufacturing	Agriculture and Food Systems	Health Care	Life Sciences	Design and Technology
	Classification	Legacy	Legacy	Leading	Leading	Emerging
	Niches	Machinery & Materials	Plant & Animal Cultivation	Medical Care & Wellness	Research, Development & Testing	Technology & Software
		Pharmaceuticals & Chemical	Food Processing	Health Informatics	Production & Distribution	Design & Communications
Instruments & Precision Components		Food Systems Development & Distribution	Management & Support Operations		Direct-to-Consumer Specialty Retail	

Source: Thrive's "Advance Now" Target Cluster Analysis, December 2011.

D. Brand Image

Background

This summary report is based on all of the research conducted for the Forward Fitchburg project; the following specific elements were the primary sources for this report:

- Fitchburg online community survey (N= 1,263 people who live, work, and/or visit Fitchburg)
- Fitchburg stakeholder input (N = 35 FNET members)
- Fitchburg major employer interviews (N = 23, across 20 Fitchburg-based companies)
- Fitchburg local market focus group (N=9)
- City of Fitchburg branding work session (N=20)

All of the samples were “convenience samples” – *therefore, results should be interpreted cautiously*. In addition, it should be noted that the stakeholder input, employers’ input, and City input are all from small bases, and therefore, results should be viewed as directional.

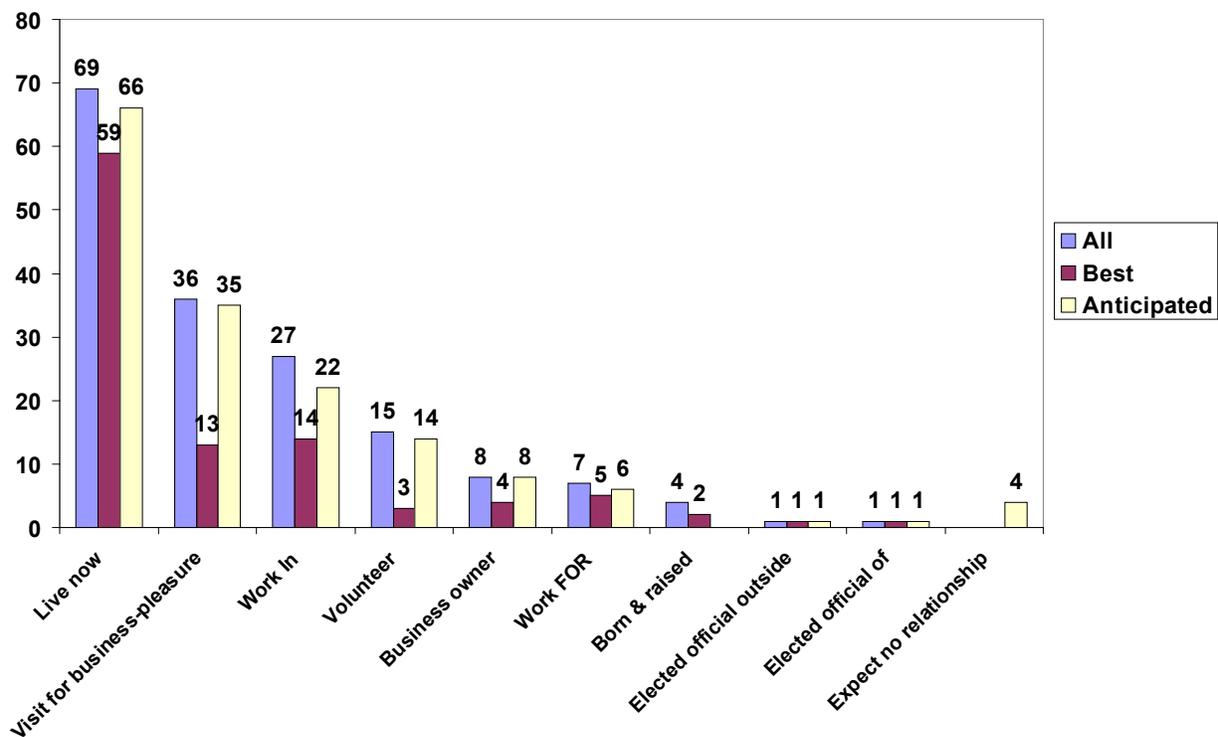
Key Themes

- Lack of Image...
 - Exacerbated by multiple school districts, multiple zip codes, limited “Welcome to Fitchburg” signs, and the lack of central business district
- ...But positive perceptions of Fitchburg overall
- Believe Fitchburg should leverage certain parts of Madison:
 - The UW-Madison, including its talent pipeline
 - Cultural amenities
- While at the same time differentiating itself from Madison in the following important ways:
 - Highly educated diverse population
 - More available land
 - More business-friendly
 - More focused on green spaces, sustainability, and thoughtful land use
 - Public/private partnership approach
- Without forgetting those positive factors that are uniquely Fitchburg:
 - A focus on smart planning and economic development
 - A mix of urban and rural
 - A variety of diverse businesses – industries, sizes
 - A purposeful balance between growth and sustainability
 - A link and pathways to five State bike trails: Capital City State Trail, Military Ridge State Trail, Cannonball State Trail, Badger State Trail, and SW Commuter State Trail
 - A central location that provides proximity and easy access within the greater Madison region
 - A proactive, entrepreneurial and innovative mind set that charts our community’s destiny

Living in Fitchburg

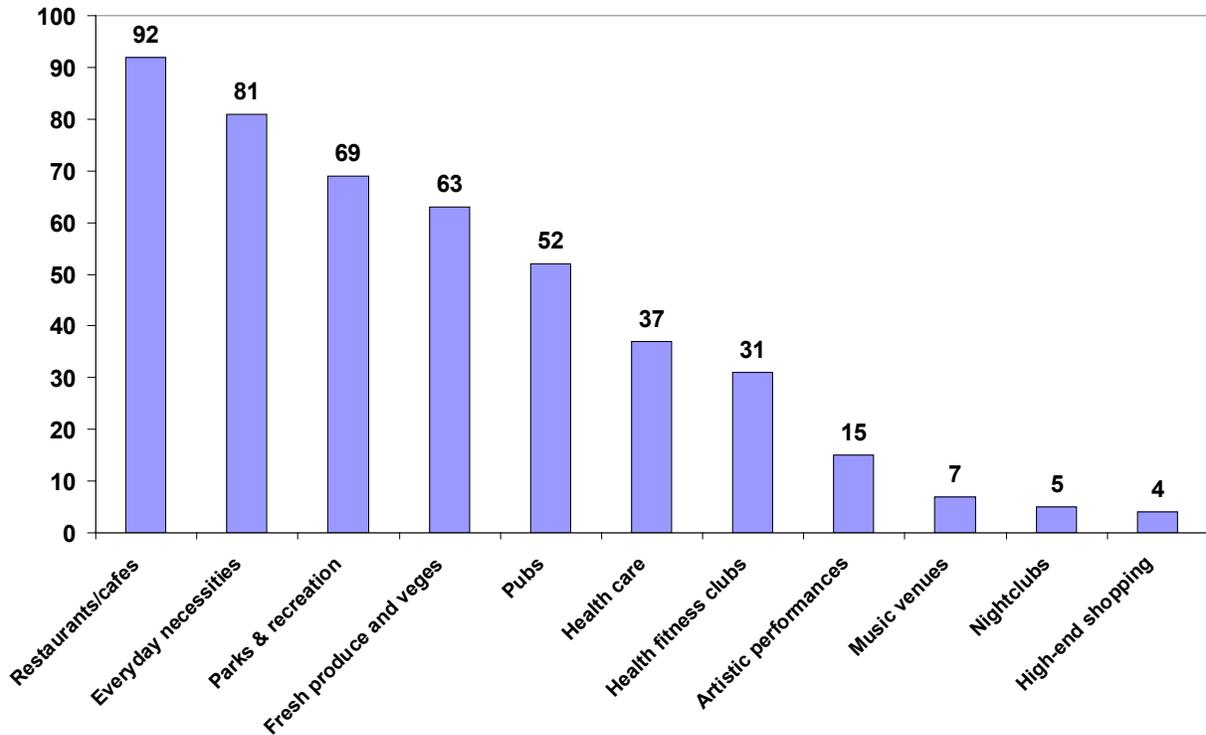
In this section, we summarize the key data relating to the brand image of Fitchburg by people who live there.

Q2-3 &11. Which of the following relationships do you have with Fitchburg, which one best describes you and which do you expect will describe you in 2-3 years?



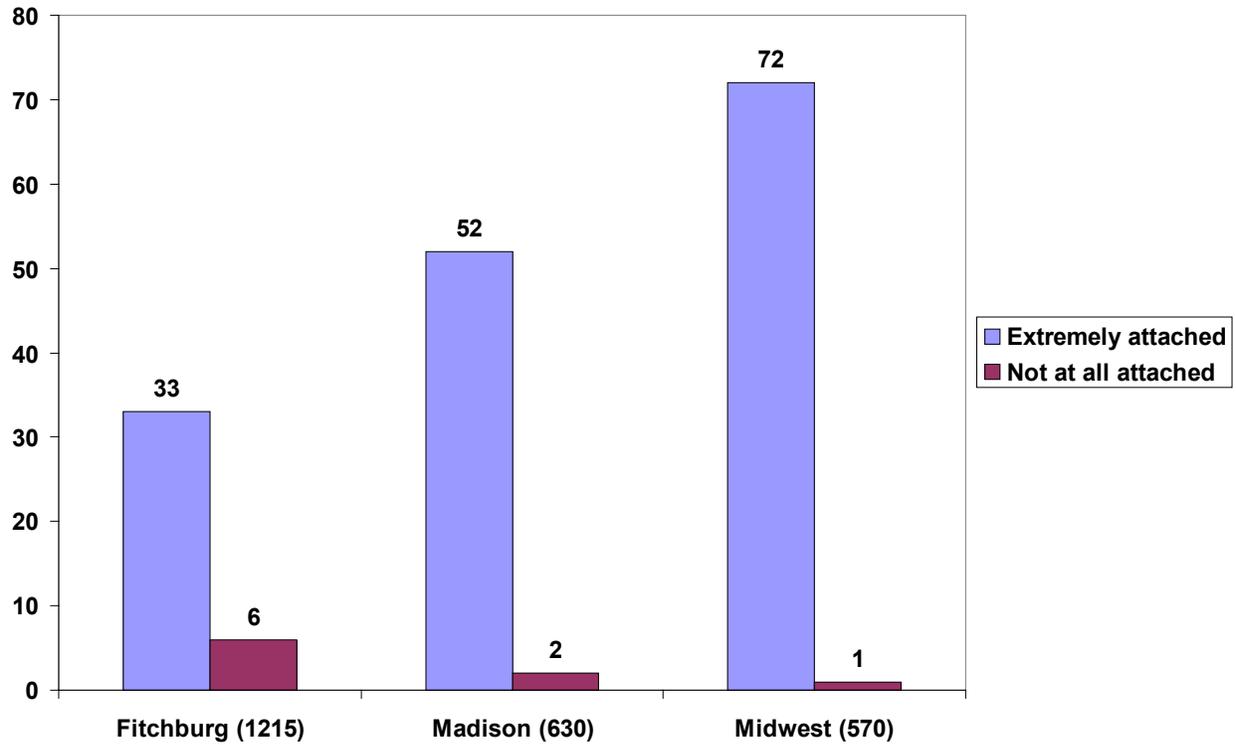
Most respondents' primary relationship with Fitchburg was that they live there. In general, current relationships with Fitchburg were highly predictive of anticipated relationships. Correlations between the two ranged from a low of .59 for volunteer work to a high of .84 for living in Fitchburg and .83 for working FOR Fitchburg.

Q8. Please check all the following items for which you have used Fitchburg over the past year.



Fitchburg is used by most respondents for everyday necessities, food, and pubs as well as for Parks & Recreation. More “sophisticated” reasons for visiting Fitchburg fared poorly—artistic performances (15%), music venues (7%) and high-end shopping (4%).

Q9-10. Please rate how attached you feel to Fitchburg and to either the Madison region or the Midwest?



Roughly half of respondents were asked to compare Fitchburg to the Madison region and half to the Midwest. “Felt attachment” to the Midwest was greater than felt attachment to either Fitchburg or the Madison region; meaning efforts to characterize Fitchburg as a uniquely Midwest kind of place might prove fruitful.

About Word Clouds

The following six pages are “word clouds” based on participants’ response to open-ended question (N=1263). The size of each word represents the frequency with which each word was mentioned.

Q13. What word or phrase FIRST comes to mind when you think of Fitchburg?



The most-mentioned word that comes to mind when thinking about Fitchburg is Madison. This should not be confused with the perception that Madison and Fitchburg are synonymous, because at best, a majority of respondents consider the two “somewhat alike.”

Q14. Thinking about the Madison area, what if anything most distinguishes Fitchburg?



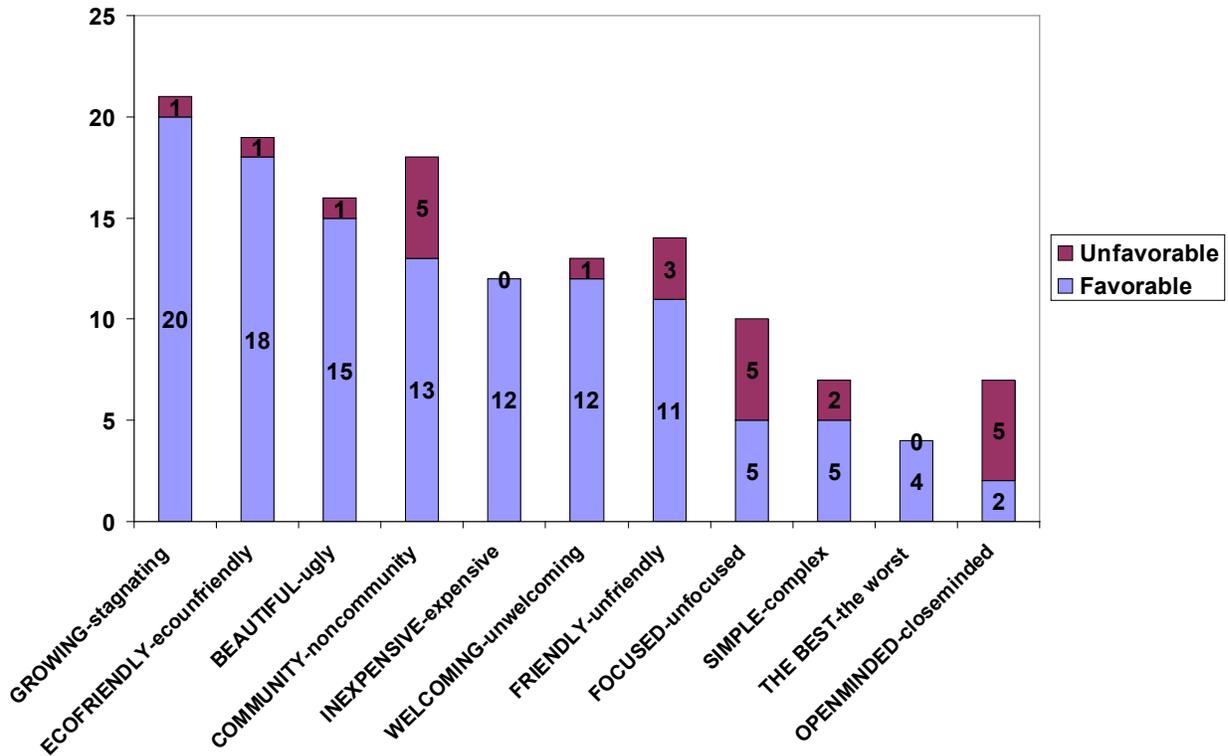
Among the terms that most distinguish Fitchburg from the Madison area are 'community'. Where area, parks, rural were mentioned, adjectives were positive. Where 'downtown' and 'school' were mentioned, it was for the lack thereof.

Q18. In the next 2-3 years, what would you like to see Fitchburg CHANGE?



Most mentioned as things to change were schools, crime, development, and traffic including Fish Hatchery Road. Fitchburg is predominantly shown since respondents would answer with phrases such as “Fitchburg should change....”

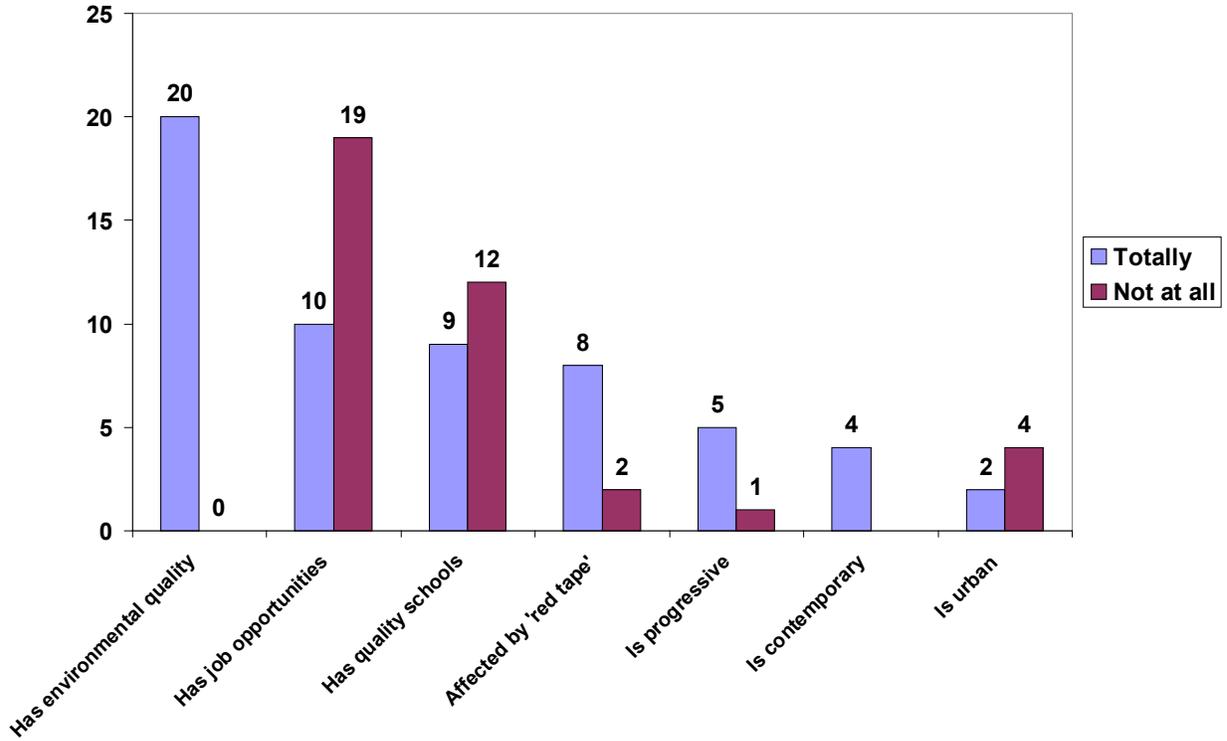
Q19-29. Please rate the following word pairs by clicking the number that best corresponds to your first impression of Fitchburg.



No one word was affirmed by a majority of respondents (50% or more) as a first impression of Fitchburg—perhaps indicating an opportunity to shape its identity.

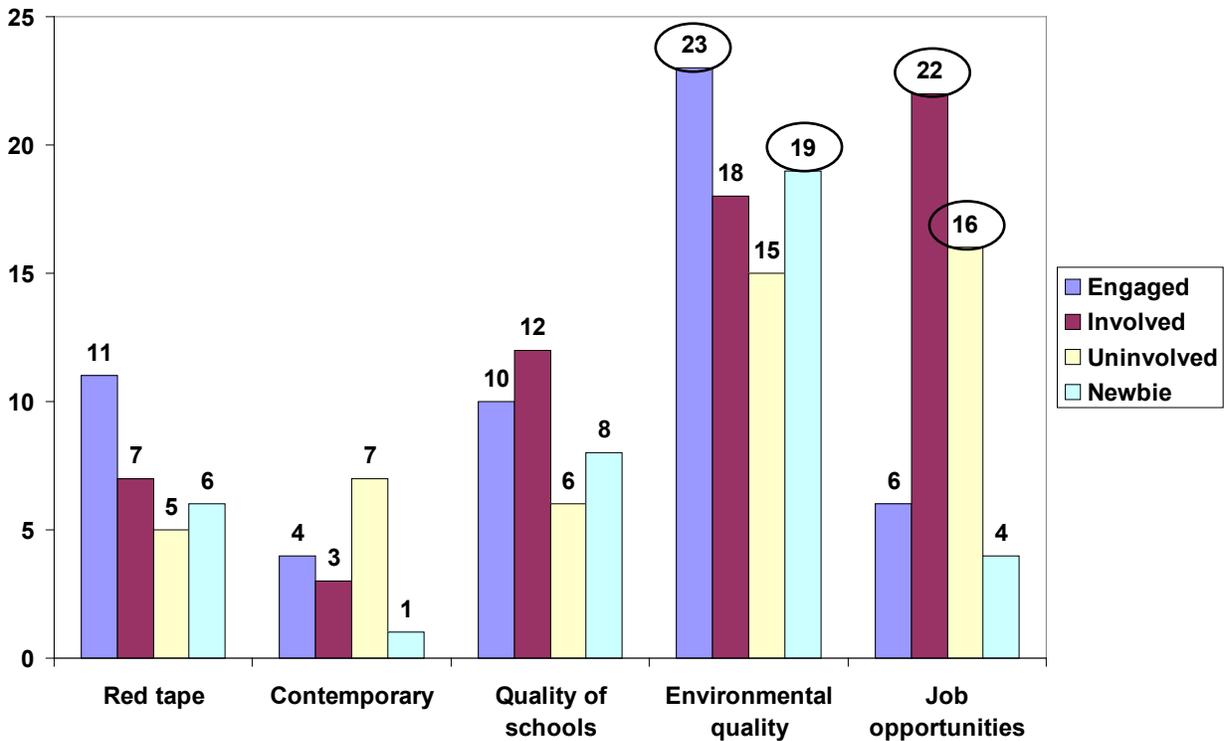
At the same time, the ratings were overwhelmingly favorable. Growing, eco-friendly and beautiful were rated particularly positively.

Q30-36. To what extent do you think Fitchburg....



Environmental quality (including parks, green areas, recycling program) was found to be a positive attribute for Fitchburg across a number of survey items.

Respondents were segmented into four segments, based on their responses to demographic and attitudinal questions. Below is the chart of responses related to “Perceptions totally characterizing Fitchburg.”



Regardless of which segment they were in, respondents rated either “environmental quality” or “job opportunities” as most characteristic of Fitchburg.

Summary of Engagement

	Engaged	Involved	Uninvolved	Newbie
Attachment	High	Low	Low	Low
Length of Residency	Long	Non-Res	Non-Res	Newer
Frequency of Use	Daily	Daily	Occasionally	Daily
Familiarity	High	High	Low	Low

Engaged (30% of respondents): 93% are extremely familiar with Fitchburg, 85% have resided in Fitchburg for 10+ years, a majority (61%) are employed in the health industry (23%), warehouse/distribution (24%) or construction (14%). 99% are in Fitchburg daily, 65% are extremely attached to Fitchburg, while 69% are extremely attached to the larger region (Madison or Midwest). None are Fitchburg business owners, 55% have household incomes of \$100K or more, 17% have professional or doctoral degrees and 14% are 17-37, while 41% are 56-82.

Involved (18% of respondents): 60% extremely familiar with Fitchburg, none live in Fitchburg, a majority (60%) are employed in the bank-finance (13%) retail (17%), info-tech (13%) or construction (17%). 100% are in Fitchburg daily, 40% are extremely attached to Fitchburg, while 61% are extremely attached to the larger region (Madison or Midwest). 14% are Fitchburg business owners, 44% have household incomes of \$100K or more, 12% have professional or doctoral degrees and 23% are 17-37, while 31% are 56-82.

Uninvolved (22% of respondents): Only 37% are extremely familiar with Fitchburg, none live in Fitchburg, a majority (54%) are employed in either agriculture and food processing (23%) or banking-finance (31%). None are in Fitchburg daily (68% visit 2-5 times per week), just 11% are extremely attached to Fitchburg although a majority (55%) are extremely attached to the larger region (Madison or Midwest). 6% are Fitchburg business owners, 46% have household incomes of \$100K or more, 8% have professional or doctoral degrees. Nearly one-third (32%) are 17-37, while just 21% are 56-82.

Newbies (30% of respondents): A low of 29% are extremely familiar with Fitchburg and 81% have been residents of Fitchburg for less than 10 years. A majority (64%) are employed in construction (20%), health (26%) or warehouse-distribution (18%). 97% are in Fitchburg daily. As with the Uninvolved, 11% are extremely attached to Fitchburg and a majority (55%) are extremely attached to the larger region (Madison or Midwest). None are Fitchburg business owners, 60% have household incomes of \$100K or more, 30% have professional or doctoral degrees. Over one-third (35%) are 17-37, while one-fourth (25%) are 56-82.

Visiting Fitchburg

Participants in the business focus group expounded on visitors to the City of Fitchburg. They felt that visitors and new residents are not usually drawn to Fitchburg because it's Fitchburg, it's for another reason:

- “You don't come to Fitchburg as a destination – it's because you are on your way to someplace else.”
- “Hotel guests are here to do business with ThermoFisher, Bruker, etc.”

For Fitchburg focus points, landmarks and events, no single item dominated. Examples were a rehabilitated working farm, Eplegaarden Orchard, Fitchburg Days, Nevin Fish Hatchery, Star Cinemas with IMAX, Great Dane Brew Pub, Agora Art Fair, and the Berbee Derby. Bicycle paths were mentioned by some of the participants.

Visitors

The following information on Fitchburg visitors was gathered solely from survey results, which were distributed in the Fitchburg area, including local hotels. Because the survey were only distributed locally, the following information only depicts one segment of all potential visitors.

In comparison to other survey respondents, Fitchburg visitors compare quite similarly; top reasons for visiting include:

- Restaurants/cafes (88.3%)
- Everyday necessities (61.1%)
- Parks and recreation (54.9%)
- Pubs (40.1%)
- Fresh produce and vegetables (39.5%)
- Health care (26.5%)

This shows that Fitchburg visitors come to Fitchburg for the same reasons others do. Therefore Fitchburg could benefit from increasing it's quality and breadth of the above items. However, we did find that Fitchburg visitors are also:

- Less familiar with Fitchburg than residents
- Visit Fitchburg less often than residents
- Are less attached to Fitchburg than residents

This is understandable as visitors usually share these same characteristics no matter what community.

One interesting item that was found is that visitors place a much higher importance on arts and culture than the others who were surveyed while placing the same satisfaction rating for Fitchburg, which suggests that visitors are interested in Fitchburg enhancing its arts and culture offerings.

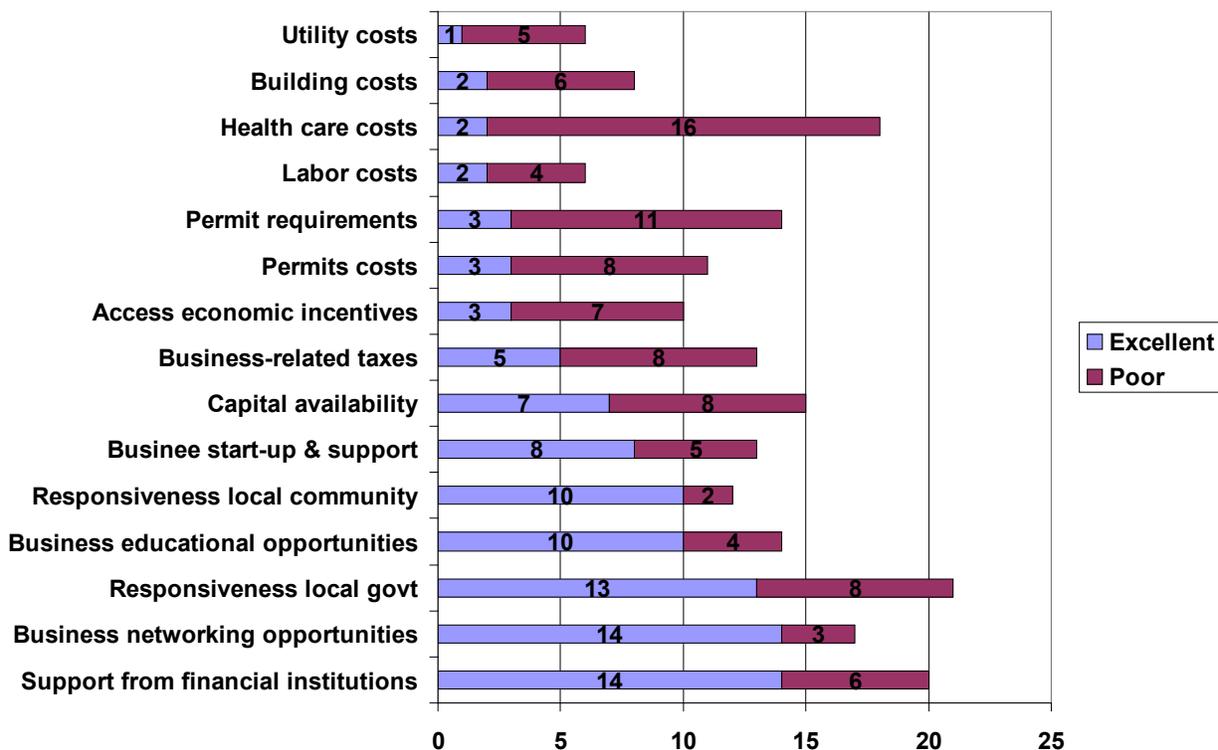
The chamber has seen an increase (since 2010) in inquiries for leisure travel. The increase in calls it has received has indicated that Fitchburg is perceived (by those outside the region) as a good choice for leisure travel because of its location; allowing the visitor to have multiple excursions (downtown Madison, rural Dane county) in one trip. The theme of almost all of the leisure calls included one or more of the following: biking, shopping, and dining (craft cheese and beer).

Working in Fitchburg

In this section, we share brand insights from Fitchburg employers and business decision-makers.

Of the 1,263 survey respondents, 272 indicated that they were business decision-makers for a business in Fitchburg. The following survey results are from this subset.

Q54. Please rate your community for the following? (Responses are those rating Fitchburg a “1” or a “6” on a six-point scale).



Note the most highly-rated items are factors within the Fitchburg community’s control – support from financial institutions, business networking opportunities, responsiveness from local government, business educational opportunities, etc. Many of the lowest-rated items are not factors that Fitchburg can control. An area of opportunity is permitting requirements and costs.

Employer Input – Key Themes

- There is no sense of identity of “Fitchburg,” exacerbated by the lack of its own high school and zip code.
- Even so, participants’ attitudes toward Fitchburg were generally positive.
- In particular, Fitchburg is seen as positive in comparison to Madison in the following ways:
 - More affordable
 - Less congestion
 - Lots of land
 - An intentional and purposeful decision to not “get swallowed up by Madison”
 - More business-friendly

Stakeholder Input – Key Themes

- The first words that come to mind for stakeholders are:
 - Educated/intelligent
 - Livable
 - Progressive
 - Close to Madison/location
 - Community
 - Trails/bikes/clean/outdoor amenities/green
- The biggest opportunities that stakeholders saw are:
 - Land
 - Talent – particularly biotech, high-tech, professional/scientific, etc.
 - Access to Interstates
 - Proximity to UW-Madison
 - Green, sustainability
 - Mixed-use planning and economic development
 - Successful mix of diverse companies

- The biggest challenges that stakeholders saw are:
 - Lack of identity, specifically:
 - Lack of a “downtown”
 - No Fitchburg school district
 - No main street: “Not really a community”
 - No post office
 - Trade-offs between development and sustainability
 - Competition for business growth from other cities/regions
 - Typical local/regional issues, such as:
 - Local government that gets in the way of development
 - Restrictions on planning process
 - Fight between development and keeping things green

Note that Fitchburg was generally considered more business-friendly than other communities in the region, facilitated in part by an active economic development staff and a mayor who is engaged in economic development.

- Macroeconomic issues such as federal/state government funding, sluggish job growth (Note: this input session occurred during the period of the Wisconsin recall campaign)
 - National image because of divisive politics/polarizing politics/taxes
 - Overcoming the “antibusiness mystique”
 - Collapsing government system
- Perceptions of local crime
- High cost of living
- One thing that stakeholders would add to Fitchburg for the most positive impact on the region’s future included:
 - Add a new major employer, like an Epic
 - A stronger identity, such as with a school district, downtown, newspaper
 - Additional incentives that could help spur reinvestment
 - More entrepreneurship
 - More retail, commercial establishments

- One thing that stakeholders would take away from Fitchburg for the most positive impact on the region's future included:
 - Poverty, crime
 - The multiple school districts
- Other assets identified by the stakeholders include:
 - UW research
 - Highly educated workforce
 - Close proximity to Madison, and other major metros (Milwaukee, Chicago, Minneapolis)
 - Rural and urban mix, integrated farm economy, farmland/urban interface, commitment to natural resource preservation, quality natural food/ag system, suburban to rural, access to rural environment
 - Abundant clean water, lakes, natural surroundings, natural resources, parks, bike path
 - Huge area, land, open areas, land to grow, lots of available land, lots of open space
 - Diverse development among retail, commercial, industrial; smart development

Employers in the focus group centered on the word “innovation” when describing the impression for Fitchburg over the next ten years. On their wish list:

- A downtown
- Good safe place to live and work.
- More things to do, destination places such as parks.
- Quality of life. Investments in quality of life amenities and infrastructure are important because businesses locate where they would like to live.

Branding Needs from the City's Perspective

A focus group with 20 City Staff representing all departments was held on January 13, 2012.

Key themes:

- The city of Fitchburg needs more consistency in how it is branded, not just in logos but in identifying areas of and places within the City.
- It was recommended that the branding should capitalize on Fitchburg's proximity to Madison while still differentiating Madison, especially to departments that communicate to external audiences.

Examples of current Fitchburg marketing communications are shown below.



E. Positioning

Overall Community Positioning

Fitchburg, Wisconsin, a young city having incorporated in 1983, is a unique Midwestern city. In a landmark move symbolic of its self-determination and vision, it boldly transitioned from a town to a city to prevent being appended to Madison, bit by bit. With this single action, Fitchburg at once claimed its own identity and set its distinct role as part of the Madison region.

Fitchburg residents and visitors enjoy the benefits of being in a world-class region, anchored by the renown UW-Madison, the Wisconsin State Capitol, and vibrant cultural and arts amenities.

Yet Fitchburg has carved out a unique identity of its own based on . . .

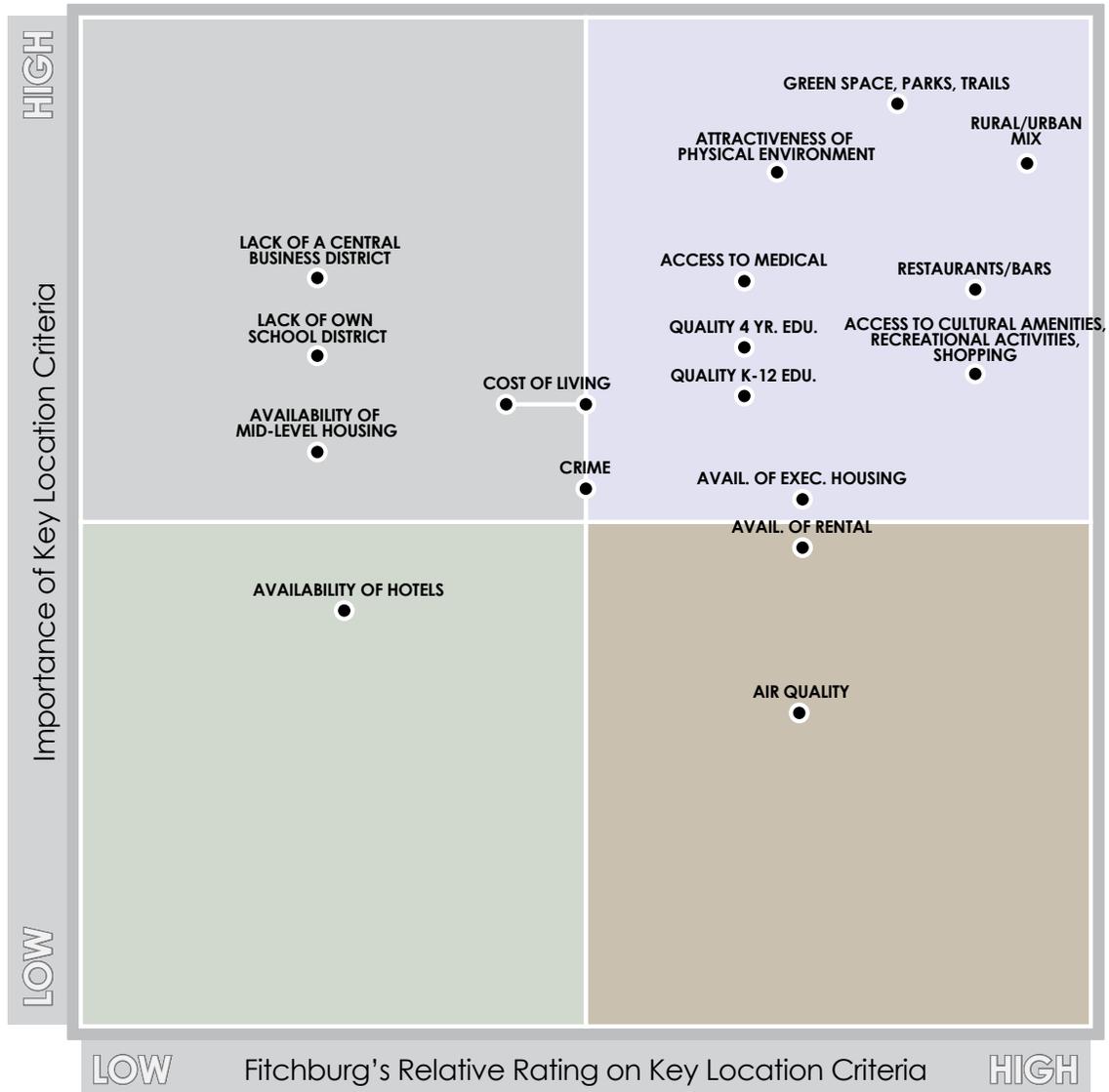
- Thoughtful land use which has resulted in an eco-friendly mix of rural and urban spaces, a balance of new growth with sustainability, and plentiful parks and trails providing ample access to nature and green space.
- A diverse economic base grown from its highly educated workforce, a University-inspired stream of innovation, and a creative economy steeped in the scientific and technical disciplines, driving growth in local services and offering ample employment opportunities.
- A growing, healthy, highly livable community with quality housing, education, shopping, medical services, social activities, and civic involvement that offers a range of living options for all family types throughout their life stages.

Target audience	For people looking for the perfect Midwestern spot to create their own promising future,
Frame of reference	Fitchburg is the growing, high-tech, “green” city within the Madison region
Point of difference	that has purposefully designed a community that supports sustainable growth --
Benefits	sustainable for people, families, businesses, and the environment.

The City of Fitchburg will continue to grow its economy while preserving and investing in the City's quality of life and protecting the environmental, natural and cultural resources.

- A short- and long-term perspective.
- A balance of jobs and housing within the community.
- The promotion of sustainable design.

Fitchburg, Wisconsin Positioning - Overall

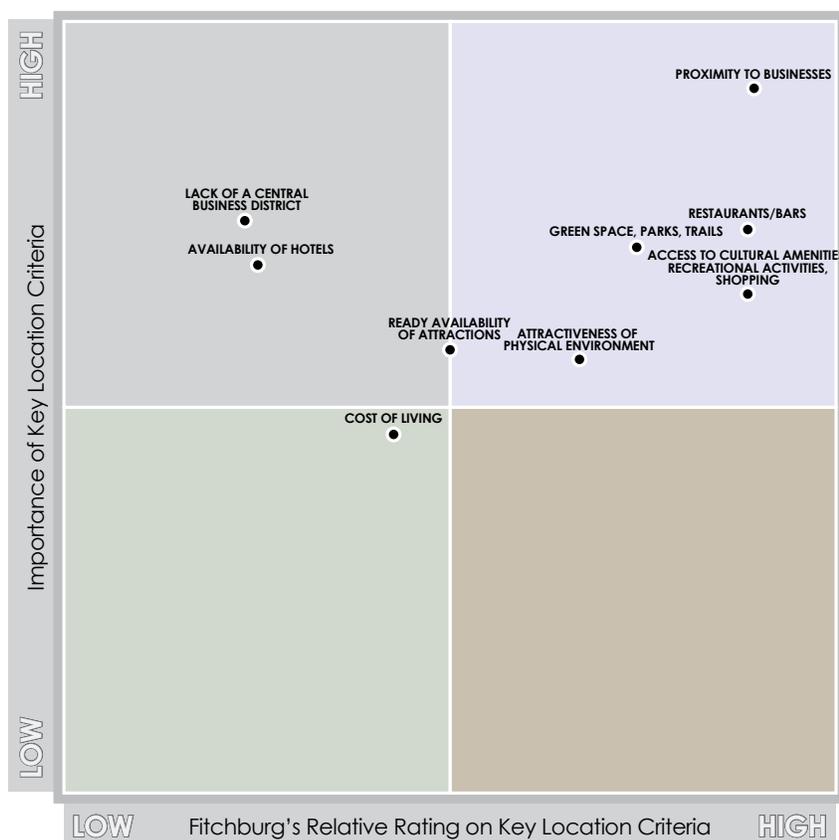


Positioning from a Visitor Perspective

According to local hotel managers, most of their guests are business travelers with appointments with local Fitchburg companies. The city's hotels also receive some overflow visitors from Madison or regional events (e.g., World Dairy Expo). Anecdotally, we know that Fitchburg attracts visitors from the greater Madison region for local events like the CDW Berbee Derby and the Agora Art Fair, as well as its many bicycle and jogging trails. The art fair attracts visitors from all over the state, not just the greater Madison region; it provides a great deal of additional visitor spending in the local economy with over 10,000 in attendance. Hickory Knoll Farm hosts the Midwest Driving Clinic, the largest in the country, attracting drives from a dozen states. We also know that Fitchburg hotels are used as a "hub" for leisure travel; guests that don't want to stay downtown but want easy access to its amenities. It would like to retain and grow its base of business travelers, and also begin to focus on growing its leisure traveler base.

Fitchburg, Wisconsin is a unique Midwestern destination – with easy access to Madison and countless regional attractions, yet offering up remarkable benefits of its own.

- Miles of bicycle and running trails.
- Some of the best parks in the state.
- Historic farms and wide, open spaces.
- In perfect harmony with urban delights, such as the latest restaurants, brewpubs and shops.

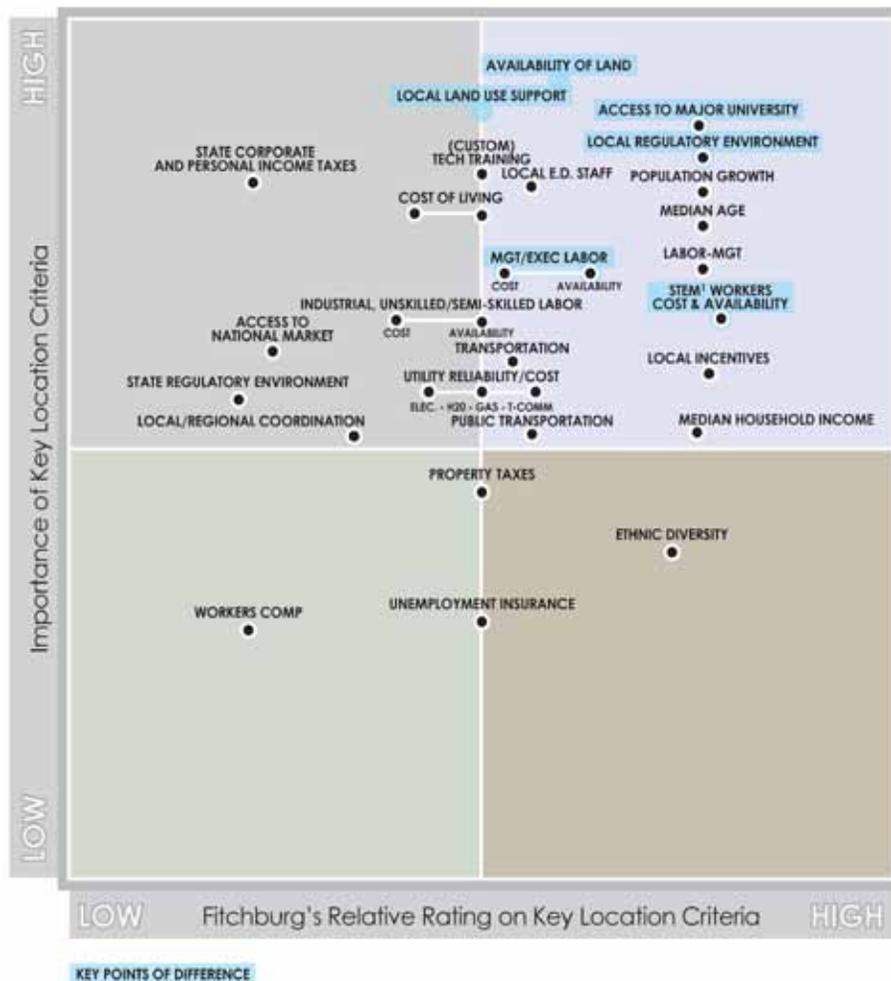


Positioning from an Economic Development (Business) Perspective

The City of Fitchburg offers expanding and relocating companies the benefits of being in a world-class region in the Midwest, anchored by the renown UW-Madison, the Wisconsin State Capitol, and vibrant cultural and arts amenities.

Yet Fitchburg offers businesses . . .

- A strong and growing entrepreneurial economic base, invigorated by a highly educated workforce, a University-inspired stream of innovation, and abundant scientific, technical and executive talent, driving growth in local services and offering ample opportunities for wealth creation.
- Available land and accessible location -- some of the largest tracts in the Madison metropolitan area with the best access to east, west, central and downtown Madison – avoiding the traffic and congestion of the metro area without sacrificing Interstate highway access.
- A can-do oriented pro-business environment, centered on streamlined local zoning and regulatory processes, a dedicated economic development staff, and business assistance programs.
- A diverse, growing, healthy, highly livable community with quality housing, education, shopping, medical services, social activities, and civic involvement that offers a range of living options for all family types throughout their life stages.



Target Industry Positioning: IT Related & HQ Operations

Locational Criteria by Importance to IT Related & HQ Operations (a.k.a. Recommended Sub-Positioning of Fitchburg)		
Extremely Important	Very Important	Important
Electric Power Costs Incentives Fiber Optic Capacity & Redundancy Water/Sewer Cost Clerical and Managerial Salaries	Site/Building Cost Property Taxes Personal Income Tax	Wages and Fringe Benefits Workers Compensation Costs Corporate Income Tax
Site/Building Availability Disaster Ratings (hurricanes, etc.) Skilled Labor Availability Electric Reliability Water Capacity Telecommunications Capabilities Proximity to Customers Professional and Managerial Labor Availability	Unskilled Labor Availability Vocational Education Highway Access Air Service Critical Mass of Employers	Proximity To Suppliers
Higher Educational System Image/Community Appearance Housing Cost/Availability Vacancy Rates	K-12 Education (varies by community) Cultural Amenities Cost of Living	Recreation

Bold indicates those factors where Fitchburg has an advantage, and therefore, should be central talking points to those site selectors and companies within this target industry.

**Comparisons are primarily based on how Fitchburg would compare nationally because which other regions the site selector compare Fitchburg with will depend on the specific project.*

Target Industry Positioning: Technical Services & Production

Locational Criteria by Importance to Scientific Service & Production Companies (a.k.a. Recommended Sub-Positioning of Fitchburg)		
Extremely Important	Very Important	Important
Wages and Fringe Benefits Personal Income Tax Incentives Site/Building Cost	Fiber Optic Capacity & Redundancy Electric Power Costs	Gas Costs Workers Compensation Costs
Skilled Labor Availability Site/Building Availability Proximity to Customers Air Service Proximity to Research Institution Incubator Space Trailing Spouse Opportunities Higher Educational System Professional and Managerial Labor Availability Electric Reliability	Vocational Education Critical Mass of Employers	Unskilled Labor Availability
Housing Cost/Availability Diversity Community Appearance	K-12 Education (varies by community) Recreation Cultural Amenities Cost of Living	

Bold indicates those factors where Fitchburg has an advantage, and therefore, should be central talking points to those site selectors and companies within this target industry.

Target Industry Positioning: Other Manufacturing

Locational Criteria by Importance to Other Manufacturing Companies (a.k.a. Recommended Sub-Positioning of Fitchburg)		
Extremely Important	Very Important	Important
Electric Power Costs Wages and Fringe Benefits Property Taxes Incentives Water/Sewer Costs	Site/Building Cost Fiber Optic Capacity & Redundancy Workers Compensation Costs Gas Costs Water/Sewer Capacity	Personal Income Tax Corporate Income Tax
Electric Reliability Skilled Labor Availability Site/Building Availability Proximity to Customers Vocational Education Labor Management Relations Environmental Situation Proximity to Raw Materials	Executive/Management Talent Unskilled Labor Availability Highway Access Rail Service Critical Mass of Employers	Air Service
Higher Educational System K-12 Education (varies by community)	K-12 Education (varies by community) Recreation Cultural Amenities Cost of Living	Housing Cost/Availability Recreation

Bold indicates those factors where Fitchburg has an advantage, and therefore, should be central talking points to those site selectors and companies within this target industry.

Appendix

Appendix

Fitchburg Economic Impact Analysis – Results Summary

Understanding the economic impact of existing development can help direct and target future economic development strategy. To that end, an economic impact analysis was conducted for two developments in Fitchburg:

- 1) Fitchburg Research Park / Fitchburg Technology Campus
- 2) Fitchburg Commerce Park & Sub-Zero/Wolf

The impact analysis estimates economic contribution of these two parks in aggregate; impacts for individual business were not calculated.

Methodology

An economic impact analysis is built using company provided data. At least one of the following three fields must be available in order for the analysis to be completed:

- 1) Total Salary and Wages
- 2) Total Employment
- 3) Total Sales (output)

In the majority of instances the analysis was able to utilize total salary/wages and total employment for each of the companies in both developments. The inclusion of two critical variables, as opposed to one, heightens the accuracy and representativeness of the results.

The company provided data was built into an economic impact model using IMPLAN Economic Modeling software. When data was not available from a company industry standard averages were applied. Because of the data sources utilized in the modeling process the study area is confined to the county level; in this case all results are reported in terms of Dane County.

What is an Economic Impact Analysis?

An economic impact analysis estimates the TOTAL impact of an economic event (e.g. business opening, expansion, closing, etc.) in terms of job creation, wage creation, contribution to the gross regional product and overall economic output. It does this by tracking business-to-business purchases (operations spending) and household-to-business purchasing (employee consumer spending) that result from an economic event. The model is inclusive of all interactions throughout the economy because it measures all three levels of impact:

- **Direct:** The impacts – job creation, sales, operations spending, etc. – that occur directly as a result of the business event being studied.
- **Indirect:** The impacts that occur as a result of the business spending from the business event being studied. For example, a new automotive manufacturing facility must purchase parts from numerous suppliers. Each of those purchases has a positive impact on the supplier. Indirect impacts measure the effects of those business-to-business purchases.
- **Induced:** All new employment creation that stems from the business event, both indirect and direct, will result in new household income that can be spent on consumer goods. The impact of those consumer purchases are measured by the induced impacts.

How are the Results Reported?

The results of the impact analysis are reported in a variety of ways:

- Job created in the Study Area
- Wages and benefits created in the Study Area
- Economic Contribution (GRP) – difference between total output and cost of intermediary outputs; employee compensation, taxes and gross operating surplus (Value Added)
- Local Property Tax Contribution

Fitchburg Research Park / Fitchburg Technology Campus

Fitchburg Research Park/Technology Campus (RPTC) has the following statistics, as of Quarter 4 2011:

Total Jobs	Total Companies:
2,800	60
Total Real Property Value	Total Improved Acres:
\$134.0 million	117.98
Total Personal Property Value	Remaining Vacant Acres
\$17.5 million	234.66

Summary of Results

Based on the analysis RPTC has the following direct impacts on the Dane County Study Area:

Jobs Created	Wages and Benefits Added	Economic Contribution (GRP)
2,500	\$150,000,000	\$177,500,000

The economic impact analysis estimates that RPTC is responsible for 2,500 jobs from within the Study Area. That means 300 jobs, the difference between total jobs (2,800) and direct jobs, are being imported from outside Dane County. Those 2,500 jobs account for approximately \$150 million in wages and benefits; and the businesses contribute more than \$175 million in gross regional product.

The industries with the most significant per job direct impact include:

- Manufacturing
- Information
- Finance & Insurance
- Professional, Scientific & Technical Services
- Construction

Aggregating the indirect and induced impacts provides a look at the secondary economic contribution of RPTC. The following results indicate the impact RPTC has on other Study Area businesses because of the inter-industry and household purchases associated with the businesses in the two developments.

Secondary Jobs Created	Secondary Wages and Benefits Added	Secondary Economic Contribution (GRP)
2,080	\$72,000,000	\$151,000,000

The data show that the business activity within RPTC is responsible for approximately 2,000 additional jobs in the Study Area, as well as \$72 million in created wages and benefits with a total contribution to region product of \$151 million.

The industries that are most impacted by the business activity in RPTC include:

- Retail Trade
- Health & Social Services
- Finance and Insurance
- Real Estate

Apart from impacting the local economy, the businesses within RPTC also pay property taxes to four taxing jurisdictions: Fitchburg, Dane County, Madison Vocational School District and the local school district. In total, the developments are responsible for \$2.85 million in property tax contributions, of which \$980,500 are contributed to Fitchburg as local property tax revenue. Because there is residential within RPTC it is beneficial to segment this contribution:

Total Property Tax Contributions:

- Non-Residential - \$2.58 million
- Residential - \$285,000

Local Property Tax Contributions

- Non-Residential - \$880,000
- Residential - \$100,000

In total, this equates to approximately \$1,000 per employee in total property tax and \$350 per employee in local property tax.

Detailed Data for RPTC

The following data tables support the summary of results discussed above.

Detailed Direct Impacts of RPTC

Identifies the industry sectors that have the largest direct impact on the local economy when they create new jobs.

	Direct Labor Compensation per Job	Direct Value Added per Job	Direct Output per Job
Construction	\$73,000	\$89,000	\$116,000
Manufacturing	\$81,000	\$113,000	\$402,000
Retail trade	-	\$56,000	\$68,000
Information	\$81,000	\$140,000	\$165,000
Finance & insurance	\$66,000	\$114,000	\$198,000
Prof, Sci & Tech Services	\$67,000	\$76,000	\$114,000
Educational Services	\$38,000	\$39,000	\$34,000
Health & social services	\$43,000	\$46,000	\$59,000
Arts, Entertainment & Rec	\$16,000	\$18,000	\$29,000
Accommodation & food	\$8,000	\$18,000	\$53,000
Other services	\$63,000	\$94,000	\$116,000
Government	\$67,000	\$74,000	\$61,000

****Promega and Bruker are categorized in science and technology for the model. The compensation data is based on what companies provided.***

Detailed Indirect and Induced Impacts of RPTC

Identifies the industry sectors that experience the greatest impact because of the economic activity of companies in the RPTC.

	Secondary Job Creation per 100 Direct Jobs	Secondary Labor Compensation per 100 Direct Jobs	Secondary Value Added per 100 Direct Jobs	Secondary Output per 100 Direct Jobs
Construction	1.5	62,000	89,000	161,000
Manufacturing	0.4	23,000	37,000	120,000
Wholesale Trade	2.5	143,000	323,000	492,000
Retail trade	11.1	309,000	540,000	641,000
Transportation & Warehousing	1.8	63,000	102,000	180,000
Information	2.5	151,000	364,000	680,000
Finance & Insurance	5.3	313,000	703,000	1,301,000
Real Estate & Rental	10.7	90,000	1,402,000	1,961,000
Prof, Sci & Tech Services	7.9	388,000	637,000	933,000
Management of Companies	1.0	88,000	107,000	176,000
Admin & Waste Services	8.9	226,000	311,000	512,000
Health & social services	10.5	532,000	606,000	1,017,000
Arts, Entertainment & Rec	2.5	27,000	42,000	89,000
Accommodation & Food	8.8	140,000	235,000	470,000
Other Services	6.1	193,000	263,000	398,000

Fitchburg Commerce Park and Sub Zero/Wolf

Fitchburg Commerce Park (FCP) had the following statistics, as of Quarter 4 2011:

Total Jobs	Total Companies:
1,200	25
Total Real Property Value	Total Improved Acres:
\$74.0 million	178.71
Total Personal Property Value	Remaining Vacant Acres
\$9.5 million	156.60

Summary of Results

*The contribution to GRP is the same in both parks, despite the lower numbers in Commerce, because the companies in Commerce are (mainly Wolf/SZ) involved in manufacturing. So the inter-industry purchases are for far more costly items (e.g. equipment, materials, etc.) as opposed to predominately services for inter-industry purchases in RPTC.

Based on the analysis FCP has the following direct impacts on the Dane County Study Area:

Jobs Created	Wages and Benefits Added	Economic Contribution (GRP)
780	\$55,500,000	\$97,500,000

The economic impact analysis estimates that FCP is responsible for 780 jobs from within the Study Area. That means 420 jobs, the difference between total jobs (1,200) and direct jobs, are being imported from outside Dane County. Those 780 jobs account for approximately \$55 million in wages and benefits; and the businesses contribute more than \$97 million in gross regional product.

The industries with the most significant per job direct impact include:

- Manufacturing
- Real Estate

Aggregating the indirect and induced impacts provides a look at the secondary economic contribution of FCP. The following results indicate the impact FCP has on other Study Area businesses because of the inter-industry and household purchases associated with the businesses in the development.

Secondary Jobs Created	Secondary Wages and Benefits Added	Secondary Economic Contribution (GRP)
920	\$37,000,000	\$151,000,000

The data show that the business activity within FCP is responsible for approximately 900 additional jobs in the Study Area, as well as \$37 million in created wages and benefits with a total contribution to region product of \$151 million.

The industries that are most impacted by the business activity in FCP include:

- Health & Social Services
- Wholesale Trade
- Real Estate

Apart from impacting the local economy, the businesses within FCP also pay property taxes to four taxing jurisdictions: Fitchburg, Dane County, Madison Vocational School District and the local school district. In total, the developments are responsible for \$1.87 million in property tax contributions, of which \$603,000 are contributed to Fitchburg as local property tax revenue.

In total, this equates to approximately \$1,500 per employee in total property tax and \$500 per employee in local property tax.

Detailed Data for FCP

The following data tables support the summary of results discussed above.

Detailed Direct Impacts of FCP

Identifies the industry sectors that have the largest direct impact on the local economy when they create new jobs.

	Direct Labor Compensation per Job	Direct Value Added per Job	Direct Output per Job
Construction	\$43,000	\$60,000	\$116,000
Manufacturing	\$78,000	\$133,000	\$452,000
Retail Trade	\$38,000	\$82,000	\$79,000
Transportation & Warehousing	\$39,000	\$72,000	\$148,000
Information	\$11,000	\$44,000	\$98,000
Real Estate & Rental	\$116,000	\$ 228,000	\$400,000
Prof, Sci & Tech Services	\$30,000	\$50,000	\$65,000
Admin & Waste Services	\$23,000	\$33,000	\$57,000
Arts, Entertainment & Rec	\$9,000	\$10,000	\$29,000
Other Services	\$23,000	\$61,000	\$123,000

Detailed Indirect and Induced Impacts of FCP

Identifies the industry sectors that experience the greatest impact because of the economic activity of companies in the FCP.

	Secondary Job Creation per 100 Direct Jobs	Secondary Labor Compensation per 100 Direct Jobs	Secondary Value Added per 100 Direct Jobs	Secondary Output per 100 Direct Jobs
Construction	1.18	\$49,000	\$72,000	\$131,000
Manufacturing	2.02	\$111,000	\$172,000	\$505,000
Wholesale Trade	17.36	\$993,000	\$2,245,000	\$ 3,414,000
Retail Trade	13.96	\$387,000	\$678,000	\$804,000
Transportation & Warehousing	5.41	\$212,000	\$349,000	\$631,000
Information	3.48	\$206,000	\$473,000	\$907,000
Finance & Insurance	6.27	\$365,000	\$820,000	\$ 1,528,000
Real Estate & Rental	10.40	\$103,000	\$1,586,000	\$ 2,232,000
Prof, Sci & Tech Services	8.32	\$400,000	\$661,000	\$978,000
Management of Companies	4.77	\$434,000	\$528,000	\$868,000
Admin & Waste Services	8.24	\$209,000	\$289,000	\$473,000
Health & Social Services	12.85	\$649,000	\$740,000	\$1,241,000
Arts, Entertainment & Rec	3.27	\$34,000	\$54,000	\$116,000
Accommodation & Food	9.63	\$153,000	\$257,000	\$515,000
Other Services	7.38	\$225,000	\$313,000	\$481,000

Resources

Demographics:

US Census Bureau, 2010, www.census.gov

Stats America, www.statsamerica.org

Sperling's Best Places, www.bestplaces.net

Bureau of Labor Statistics, www.bls.gov/home.htm

City-Data, www.city-data.com

Other Information:

Wisconsin Department of Transportation, www.dot.state.wi.us

Union Stats, www.unionstats.com

Wisconsin Worknet, <http://worknet.wisconsin.gov/worknet/default.aspx>

Wisconsin Department of Revenue, www.revenue.wi.gov

National Center for Education Statistics, <http://nces.ed.gov>

Forward WI, www.forwardwi.com

EMSI (Economic Modeling Specialists Int.), www.economicmodeling.com

Primary Research:

Focus Groups

Employer Interviews

Stakeholder Interviews

Community Survey