

MEMORANDUM

TO: Steering Committee

FROM: Richard Starr
Economics Research Associates

DATE: February 11, 1993

RE: Final Report

Enclosed is our Final Report that reflects the recent comment and critique from the Committee. After Committee review, we would recommend a day or two workshop trip that would include, in this order, the following meetings:

1. Meet with Committee to discuss Workshop format (i.e., what role for Committee) and specific points to be covered.
2. Meet with City Council to layout program and discuss our recommendations.
3. Meet with Chamber leadership.
4. Additional special group or community meetings.

There is, in our opinion, a need to review the program and the key funding issues with Portage's State and Federal representatives. If possible, these should be scheduled in the same ERA visit.

Assuming all goes well, a State meeting in Madison should be arranged to get the key State players together to tell our story and get their response.

As indicated, ERA will assist with subsequent Funding Applications or negotiations (written) with State or Federal grants people.

Call after your review to schedule the Portage meetings.

FINAL DRAFT

**FEASIBILITY STUDY FOR TOURISM DEVELOPMENT
AT THE PORTAGE CANAL AND
FORT WINNEBAGO**

FEBRUARY 1993

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INTRODUCTION

This study was funded by a grant from the Wisconsin State Legislature to determine the feasibility of tourism development at a revitalized Portage Canal and a reconstructed Fort Winnebago. It should be recognized that the purpose of this study is to fully examine all the factors that would affect the feasibility of this development, with an emphasis on identifying economic impacts that could support program funding requests to the Wisconsin Department of Natural Resources and the US Army Corps of Engineers.

The project was conducted by Economics Research Associates (ERA) and the Portage Waterfront Steering Committee, composed of:

<u>Member</u>	<u>Representing</u>
J. Robert Curtis	City of Portage
Bill Welsh	City of Portage
Tom Pinion	City of Portage
Carole Williamson	Chamber of Commerce
Dennis Dorn	Chamber of Commerce
Kathy Taylor	Chamber of Commerce
Doug Fendry (Ex-Officio)	Department of Natural Resources

The first few sections of the report comprise a "White Paper of Issues". This includes the background and history of various efforts at the Canal and Fort Winnebago, with an emphasis on recent activities and actions. To gain insight into current perceptions and program support, a cross-section of local decision makers were interviewed to discuss Canal and Fort issues. Potential funding sources were also contacted, and an objective assessment of existing visitor market conditions and their implications for the projects was prepared. The discussion of issues leads to a review of project options, which ends with a breakdown of costs associated with each option for development.

Following the estimates of the costs of development is a section that examines the market context of a tourism development program in Portage, and ends with an estimate of projected visitation levels at the various development options. Economic impacts of the various development options are then examined. Based on this information, the Committee developed initial recommendations for action and strategic development phasing.

WHITE PAPER

These first few chapters comprise a "white paper of issues" and provide a background and a framework for the rest of the study in several ways. By reviewing the history of Canal and Fort related efforts, one gains a perspective and a context in which the current and future efforts can be understood. The current status of projects is explained in order to understand the pressures and factors that either pose immediate opportunities or constraints. The relevant issues are then explained so that all the complexities of the proposed developments will be clear. The intent of this white paper is to provide basic information, and give a clear understanding of the issues, opportunities and constraints associated with the development of regional resources, so that informed decisions can be made, and a consensus regarding future development actions can be reached.

Background

Over the last several decades various efforts, initiatives and programs have addressed the need to develop some type of attraction or restoration of the various historic attributes and assets of Portage. The primary focus of the process has been historic Portage Canal, which links the Fox and Wisconsin Rivers and the Fort Winnebago site. The program is currently receiving increased interest and attention, brought about primarily in response to proposed action by the Army Corps of Engineers' flood control project.

The following is a brief review of some of the more significant efforts and research that have preceded this current project. In addition to those discussed below, there are several earlier or secondary reports, histories, and surveys that have been conducted over the years, and these have also been reviewed as part of this effort.

Army Corps of Engineers¹ - The current flood control project has its origins in a request that DNR made to the Corps to conduct a reconnaissance survey of flood control on the Wisconsin River near Portage, dating back to 1971. This survey found the need to strengthen, raise and align the levee near Portage. A feasibility study of the flood control

¹. U.S. Army Corps of Engineers, "Design Memoranda", St. Paul, MN, January 1991.

project was completed in December 1983. This study determined that the rebuilding and rehabilitation of the locks at the Wisconsin River and the Canal, to be made part of the flood control project, was equal in cost to other flood control options identified in the study.

In more recent design phases of the project, the Corps found the rehabilitation of the locks to be significantly more costly than other project options. Consequently, the General Design Memorandum the Corps filed in October 1992, identifies preferred design of the levee across the Canal as an earthen levee with a 48" culvert.

General Engineering Co., Inc.² - In 1988 (revised 1991) they prepared a feasibility study of re-opening the Portage Canal. The report is "an engineering study of the improvements required to re-open [the] waterway as a historic and recreational resource ... along with alternative solutions and cost estimates for those improvements." The obvious importance of the engineering issues (i.e., getting and maintaining water in the Canal, flood and control issues, operating and maintenance costs, etc.) are crucial, and General Engineering has been incorporated in the current evaluation effort.

The Ad Hoc Committee on Flood Control and the Canal³ - The committee was instrumental in initiating the State Historic Society Planning and Survey Subgrant for Portage in 1992, in getting the Canal places on the Wisconsin Trust's list of most endangered historic sties, in having the engineering feasibility study of the Canal updated in 1991, and in initiating efforts to negotiate a programmatic agreement with the Corps of Engineers. As part of process to secure funding from the State legislature, which eventually funded the ERA study, the committee prepared a report that assembled key elements of many previous reports, a chronology of Canal and Fort efforts, as well as extensive background and basic information about the actual Fort and Canal. This report was a key resource and starting point for much of the research and analysis in ERA's project.

². General Engineering Co., Inc., "Feasibility Study of Re-opening Portage Canal," January 1988, revised August 1991.

³. Ad Hoc Committee on Flood Control and the Canal, "Waterfront Re-development Plan for the City of Portage with Regard to the Proposed National Heritage Waterways Corridor and the Proposed Flood Control Program by the Army Corps," (undated) ca. 1991-1992.

Historic Surveys⁴ - In 1981 Joyce McKay conducted an Historical and Standing Structure Study of the Flood Control Project at Portage, Columbia County, Wisconsin for the Army Corps of Engineers. The study was a reconnaissance historical resource survey (also referred to as a phase one study) of Ward I in the City of Portage. The purpose of the study was to "determine if there are any historical structures or sites in the area which merit protection from the various flood control alternatives or will be affected by their fulfillment." The report develops historical contexts by which to judge site significance and/or eligibility for nomination and/or designation by the National Register for Historic Places. Ms. McKay is currently conducting an updated and more in depth historic survey of the entire City of Portage. This survey will culminate in the presentation of other potential National Register Districts and a cultural resources management plan.

Additionally, other historic studies conducted in the area include: State Historic Society reconnaissance surveys of residential structures conducted in 1974 and 1981; Environmental Protection Agency historic and archaeological survey conducted in 1979; Army Corps of Engineers architectural, historic, and cultural resource survey conducted in 1980; and an updated historic survey of the Portage Canal and locks was included in the Fox River Corridor Intensive Survey conducted in 1991 by the East Central Regional Planning Commission.

Frank and Stein⁵ - In late 1964 a committee was formed by the Governor of Wisconsin to study the Canal's future potential for recreational and historic development. The committee subsequently commissioned a report by Frank and Stein Associates in 1967. The report is a feasibility study of developing the historic resources of Portage. The report included a fairly detailed plan of a Fort reconstruction, the scale of which ERA found to be extremely ambitious.

⁴. Joyce McKay, "An Historical and Standing Structure Study of the Flood Control Project at Portage, Columbia County, Wisconsin: A Reconnaissance Survey," December 1981.

Portage Area Chamber of Commerce, State Historic Society Subgrant Application, November 1991.

⁵. Frank and Stein Associates Inc, "Historic Portage: Final Report," Lansing, Michigan, June 1968.

Ray Lenzi⁶ - In 1985, a Community Development Agent of UW-Extension in Columbia County, prepared a report for the Fox-Wisconsin Heritage Waterway Corp and the Portage Canal Task Force. The report is rather brief and conceptual, but identifies several key issues which are still relevant today for whatever type of development, if any, is eventually pursued in Portage. They are: a. "common promotion" of existing historic attributes and attractions, "maintenance and management" of the Canal and Fort areas, and "linkage to other Fox River groups," which may be fostered through the larger Fox-Wisconsin corridor project discussed later in this section.

Mechaniks' Society⁷ - A group of historic carpenters proposed to rebuild the fort with original period tools as an outdoor museum. The plan presented an interesting concept, and recognized that the funding of such an ambitious program is a major undertaking, but did not take the plan any further than a glimpse of what could be. The plan was most likely never pursued or followed up simply because of the difficulty involved in finding the enthusiasm to raise funds and create an entity to oversee development.

The Theater Historique⁸ - In the mid 1960s an open-air revolving circular amphitheater was proposed and designed for a site adjacent to the Indian Agency house along the Portage Canal. The theater was to be situated in "Portage Park" comprising 80 acres, with picnic grounds, period restaurants and shops, and a horse-drawn Canal boat from downtown to the park. The project was contingent on securing a funding from the US Small Business Administration Community Development Loan, and it eventually fell through. (In 1987, Portage Community Inc, which had raised funds privately for the theater, dissolved, and remaining funds were donated to the Zona Gale Center for the Arts.)

⁶. Raymond Lenzi, "Comprehensive Proposal for Historic Portage Canal-Fort Winnebago Park at Portage, Wisconsin", (undated) ca. 1985.

⁷. (no author cited, Mechaniks' Society), "Draft Business Plan for Fort Winnebago", January 1992.

⁸. Many newspaper articles, clippings and copies of personal correspondence lent by Ms. Blanche Murtagh provided information for this section.

Current Status

The Canal - maintenance of the Canal has been neglected for several years by the DNR, and in times of low water, there is little or no movement of water. Water levels have become further obscured due to siltation and a proliferation of weeds. There are no commercial tourism functions on the Canal, aside from local advocates who occasionally lead tours and canoe trips there. There are no other businesses that use or depend on the Canal's presence. Furthermore, there are no business that take advantage of proximity to the Canal. Meanwhile, the Canal remains on the "ten most endangered list" of the Wisconsin Trust for Historic Preservation.

Flood Control - There is a temporary earthen dam in front of the Canal locks at the Wisconsin River. The dam provides emergency flood control at the mouth of the Canal and river until an official COE flood control project is implemented. In October of 1992 the Corps submitted a General Design Memorandum detailing their preferred design for flood control. The COE is now seeking a commitment for the local sponsor share of the project. As mentioned above, their preferred design of the levee as it crosses the mouth of the Canal is an earthen dam with a 48" culvert.

It is standard for a project of this type to have a budget for mitigation of adverse impacts of the project, which is typically up to 1% of the total project cost. The flood control project includes a Programmatic Agreement for Mitigation, in which the Corps has agreed to do various things to offset adverse impact on the cultural and historic resources of the Canal. These include the preparation of historic documentation of both lock structures, the publication of a brochure about the Locks and Canal for use by the city and the Chamber of Commerce, and the construction of a working scale model of the Canal and Lock waterway system.

Canal advocates advised ERA that mitigation measures of this scale would be inadequate to offset permanent changes to the historic character and function of the Canal. However, the Programmatic Agreement for Mitigation does leave the door open for further negotiation of mitigation measures if the city or state can demonstrate the need to change it. Further, if there is sufficient justification for significant changes to the flood control project,

above and beyond the scale of the 1% budgeted mitigation measures, a request for re-authorization, or an "amendment" can be made to the flood control project, to request either specific redesigns or more extensive mitigation. The Corps has stated that they cannot simply act on a report, rather it would be specific actions on the part of the city or state that would demonstrate to the Corps that either party is committed to justifying changes.

The Fox-Wisconsin National Heritage Corridor - The East Central Wisconsin Regional Planning Commission has hired LDR, a consulting firm, to conduct a feasibility study for the Fox River Corridor, which runs from Green Bay to Portage. This study is being conducted concurrent with ERA's project in Portage.

This is one of four heritage tourism pilot programs in the state that are cooperative efforts of the National Trust for Historic Preservation, and the State of Wisconsin Tourism Division. The program is in its third and final year and will culminate in the formal request from Congress for the official designation of the corridor from Green Bay to Prairie du Chien as a "National Heritage Corridor". The corridor designation carries with it official recognition and affiliation with the National Park Service and the Wisconsin Department of Natural Resources. The corridor designation has as one of its primary goals "economic and tourism development through historic preservation". Ostensibly, the corridor project will include major interpretive centers in Green Bay, Prairie du Chien, and Portage.

In ERA's opinion, the National Heritage Corridor can only be a help to local efforts for economic development and historical preservation in Portage. However, it is important that the national project not be relied upon as the only method for fulfilling the goals of development in Portage. It should be viewed as a supporting asset, another method by which Portage may gain some assistance in accomplishing desired development. If the corridor is not designated, plans for Portage should proceed regardless, merely the scale or character of individual elements or their phasing should be allowed to be affected by the outcome of the larger corridor project.

East Central previously conducted a long range plan of the Lower Fox River/Winnebago Pool. Although this study⁹ does not include Portage, it established much of the background and foundation on which parts of the larger Corridor project are built. Similar to advocacy efforts in Portage, the Lower Fox effort grew out of concern and as a response to a specific Army Corps of Engineers project: "possible disposition of the Fox River Project by the Army Corps of Engineers and termination of through navigation resulting from closure of a lock as a sea lamprey barrier." (Similar environmental concerns are discussed later in the report.)

Highway Improvements - The City of Portage will be making major highway improvements within the next few years. The US Highway 51/16 project is scheduled to begin in early 1993, and is expected to be completed by 1994. This is primarily a resurfacing and maintenance project. Portions of this project do traverse the Canal, but no reconfiguration of the crossings or culverts are included in the project. The project will be starting soon enough that a change in the plans at this point cannot be considered. The Soo Line Subway reconstruction is scheduled for completion by 1996 or 1997. While this project does not directly impact the Canal or Fort, the city has committed nearly \$1 million for local cost share funding.

⁹. East Central Wisconsin Regional Planning Commission, "Lower Fox River/Winnebago Pool Long-Range Plan: Summary and Recommendations," Menasha, WI, April 1989.

THE ISSUES

Engineering and Physical Constraints

The Flood Control Project - Much of the urgency of current local efforts is in response to COE plans for a flood control project along the Wisconsin River.¹⁰ The COE's primary concern is flood control along a two-mile stretch of the river, and their intended actions involve the Canal at the mouth of the river. There is great concern that flood control actions could permanently destroy the historic character or potential of the locks and Canal, and render the Canal unable to function effectively as an integral part of heritage tourism development opportunities. In ERA's opinion, it is important to recognize that the Canal, functioning or not, is a part of the potential array of attractions (historic and otherwise) in Portage. A successful program needs to evaluate how the Canal, in whatever configuration, fits into local economic development, tourism and recreation plans. The flood control alternatives, for the portion of the project at the mouth of the Canal, have been identified as:

1. No Change
2. Levee Without Culvert
3. Levee with Culvert in Front of Canal
4. Rehabilitate/Rebuild Lock Gates
5. Narrow Gated Structure in Front of Canal

A discussion of the physical constraints and opportunities posed by each of the alternatives follows. The first alternative "No Change", would be substantially similar (in effect to the Canal) to the second alternative, the "Levee Without Culvert," since there is now an earthen dam at the mouth of the Canal, providing temporary flood control. (However, beyond the Canal, the levee would provide additional flood control to the rest of the City of Portage.)

Both of these options have the advantage of being fairly easily reversible. That is to say, neither involves significant opportunity costs. The disadvantage or constraint for use of the Canal, is that in either case, there is no way for water from the Wisconsin River to enter the Canal. Furthermore, if there is no way for water to enter the Canal, it follows that boats cannot pass from either waterway, and must be portaged around the levee.

¹⁰. The flood control project does not address/ does not concern the Fox River end of the canal. This is discussed in the section detailing the range of development options for the canal.

The third option "Levee With Culvert" as it has been examined by the city, the COE and the Ad Hoc Committee, actually consists of a range of sub-options. Different types of culverts in the levee involve differing levels of access to the river and Canal, different levels of water flow in the Canal, and would involve different levels of capital and operational funding. Most culvert scenarios would not involve other work on the existing lock structure. Although larger, gated culverts have been discussed, the recently submitted COE General Design Memorandum focuses on a 48" culvert as a preferred choice.

This option has the advantage of providing flood control while allowing for some potential water flow. Depending on the exact culvert scenario, this would have fairly low opportunity costs, (or could be fairly easily reversible.) Disadvantages and constraints: a 48" culvert would obviously be too small to allow for small boat passage, and would be rather small from a maintenance and/or dredging standpoint. A larger gated culvert, such as the 10' x 10' box culvert could allow for water flow and small boat passage during optimum flow conditions. A larger culvert would be easier to maintain, but more costly to remove, should the need to do so arise.

Rehabilitate/Rebuild Lock Gates - this would entail rebuilding and making the front lock higher as well as repairing and rebuilding gates and mechanisms to working order and flood control standards. Advantages: would eliminate the need for a levee across the mouth of the Canal, help provide flood control, water flow, and navigability between the Canal and the river. Constraints: Gates on this type of lock are not meant to stand open, rather they would stand closed and be opened occasionally. The reconstructed lock would undoubtedly not be historically accurate, and would involve modern structures. The high expense and permanent nature of the structure, as well as the commitment of resources, make this a rather non-reversible option.

The "Narrow Gated Structure" also could involve a whole range of options. This would involve a gated structure placed from 150 to 200 feet in front of the mouth of the Canal. Advantages: would provide flood control, water flow or retention, and navigability at times. Constraints: gates are not meant to stand open, limiting boat access.

Water Flow - Several factors conspire to make an issue of water flow in the Canal. They are the need for flood control, the shifting water flow and sand bars of the Wisconsin River, and the difference in water levels between the Fox and Wisconsin Rivers.¹¹ The object of the COE flood control project is basically to keep water out of the city. The COE is fundamentally unconcerned with other objectives, other than having a mandate to not too adversely effect the city in the process of carrying out their primary mission.

However, it is widely assumed that regardless of the flood control option chosen, maintaining a sufficient level of water in the Canal is a key factor for Canal-related attraction development to have appeal. Consequently, the basic flood control project and tourism potential on the Canal are somewhat at cross purposes. The other details regarding the lock, levee, etc. are somewhat secondary to getting a sufficient flow of water into the Canal. Navigability becomes moot if there is no water on which to navigate.

In times of low water, flow from the Wisconsin River into the Canal is severely hampered by the formation of large sand bars in the river near the mouth of the Canal. Several options for providing water flow to the Canal from the river have been examined. They include constructing a concrete-lined channel (and concrete gate sill at the mouth of the Canal) from the Canal to the southern flow of the river, or an intake pipe from south of the island to the entrance of the lock. Both of these would require regular maintenance to clear sand and debris, etc. Additionally, pumping water from wells adjacent to the Canal was considered as well the expense of operating this system.

The level of the Wisconsin River is ordinarily six to nine feet higher than the natural level of the Fox River, hence the need for a lock on the Canal. The Wisconsin, and the Canal, have the natural tendency to drain into the Fox. In order to keep water in the Canal, not only does flow from the Wisconsin need to be accessed from beyond the current sandbars, but free discharge of water from the Canal into the Fox must be controlled. Where the Winnebago Locks once stood, is now an earthen dam with a concrete spill over that does little to keep water in the Canal.

¹¹. Although arguably a fourth factor, the currently silted and weedy condition of the canal is not included, since it is judged to be easily solved and maintained.

Once water is in the Canal, clear passage on the Canal becomes the next key element. The highway bridges can impact clear passage of water within the Canal. Additional constraints include the culverts in the Canal at both Adams Street and the intersection of East Wisconsin and DeWitt, which each provide limited vertical clearance for potential boat traffic on the Canal. Opportunity: the Highway 51 reconstruction project may provide an opportunity for reconfiguration and/or reconstruction on one of the culvert crossings.

If one can get (and keep) water moving in the Canal then at least the Canal can retain some tourism and recreation functions as a more self-contained waterway. It is far less important for tourism development to have free access between waterways, than it is for creating access within and along the Canal. Each waterway can still function rather well in a more self-contained or separate fashion. The constraints and opportunities lead to the identification of several development option scenarios. These development options are fully discussed in a later section of the report.

Environmental Issues

Several of the proposed Canal options will raise environmental concerns. In general there are two main issues that could require specialized analysis. One deals with the sediment of the Canal bed, the other with the introduction of exotic species into the two watersheds that the Canal connects. While it is beyond the scope of this report to conduct actual environmental testing, ERA conducted some preliminary analysis as to the consequences of actions, and the position of several of the key players involved with the Canal.

As part of the Flood Control Project, the Corps of Engineers was required to perform a Draft Environmental Impact Statement (DEIS). Although it does not concern the Canal, one of the main findings of the DEIS concerned the loss and replacement of wetlands along the riverbank. The DEIS did study Wisconsin River sediment and found no contamination. It was deemed suitable for use as fill on the levee. As for the transfer of fish species, this was dismissed as a concern for their project, specifically because there is no species barrier on the Canal now. The rationale appears to be that if there is no barrier now, there would be no need for one in the future if their project would not make the situation any worse. The Corps does acknowledge that it could be a valid concern if there were full flow of water between the two

rivers, however, their flood control options would not allow for this degree of flow. The Corps mentioned that they did not encounter any rigid local policy or compliance requirements from the DNR regarding the introduction of exotic species.

Local engineers were consulted, and stated that the Canal sediment may be contaminated for several reasons: the Canal is over 100 years old and has had a variety of industrial and manufacturing uses along its banks; there are service stations with underground tanks nearby, contaminants could be leaching toward the Canal; and the city storm sewers carry street run-off, which could be carrying a variety of substances and chemicals into the Canal. The engineers noted that generally one need be concerned with the toxicity of sediment only if dredging were to be performed, and possibly if some disturbing of the sediment were to take place as a consequence of other work performed on the Canal.

Several departments and individuals at the Department of Natural Resources were informally consulted regarding environmental concerns and official policy regarding them. DNR regulations state that dredging is a "chapter 30 permitted activity on navigable¹² waters." As part of the permitting process, field investigations would be conducted to determine the toxicity or need to dispose of removed material in any special ways. Based on the results of investigation, the permit is either approved, denied, or conditionally approved, (ie, approved on the condition that certain actions are taken.) If it is the DNR that is taking the action, the project would go through essentially the same process, referred to as "manual code approval."

If no dredging is required, it does not trigger the permit process, and could not involve any sediment testing. The DNR further stated that the exact environmental analysis and review required under the administrative code would differ according to what the proposed actions were and how the project were classified officially (action class types 1 through 4). Another DNR official voiced concern regarding the possible presence of toxic matter in the Canal sediment, and thought it should be investigated regardless of any other actions taken (or not) on the Canal. This official estimated that introductory testing would cost approximately \$10,000.

¹². The canal is deemed a navigable body since it is "capable of supporting light water craft, (such as a canoe), at least at some point during the year, (ie, times of high water flow)."

As for the issues of exotic species, there is no explicit policy or law for compliance, however, the DNR voiced concern for the need to keep Lake Michigan Flow and Mississippi River flows separate. There are certain species of marine life that are not native to either area that could get into and contaminate the other. The concern is the introduction of non-native species into a new ecosystem. An example of this concern is the required Sea Lamprey barrier on the Fox River Lock System. Presently there is no species barrier at the Canal, however, a DNR official mentioned that at one point there was a 15 foot wide gravel-fill barrier placed approximately 100 yards from the locks, which was subsequently removed for unknown reasons. If the DNR does indeed desire a species barrier at the Canal, they could require it as a condition of a permit on the Canal.

The issue of toxic sediment should certainly be a concern to the city of Portage. The City should make this concern part of their discussions with the DNR and seek a mutually acceptable solution to this issue. If the Canal revitalization program is funded and the project moves forward, it may be advisable to transfer ownership of the Canal from the State to the City. In the event of municipal ownership, the Canal should only be accepted by the City after the DNR has resolved any question and uncertainty regarding the quality of the Canal bed sediment. The DNR would not expect the City to accept this unknown quantity, nor to undertake a potentially massive clean-up job. Resolution of the sediment quality should be made a condition of the City's acceptance of ownership of the Canal.

There appears to be no set criteria for determining the need for a species barrier at the Canal. As this appears to concern an area much larger than just the Canal itself, this matter would more appropriately be dealt with as part of the Flood Control Project. If the DNR is not compelling the COE to construct a species barrier, it would not appear to be a matter for concern at the Canal.

Historic Issues

As mentioned previously, there have been several historic studies conducted in Portage. The most recent is being conducted concurrent with this effort, and will be completed in mid-1993. The results of these earlier studies has been the placement of five sites on the National Register of Historic Places: the Surgeon's Quarters, the Indian Agency House, the Wauona Trail, the Portage Canal, the Zona Gale House, and the Fort Winnebago District. Most recently, the Society Hill Historic District has been placed on the National Register.

The current project, entitled "Portage Reconnaissance and Intensive Surveys," is expected to result in the determination and nomination of two historic districts: a Commercial Waterfront district with over 200 properties, and a Church Hill Residential District with approximately 150 properties. The study is funded by a sub-grant by the Division of Historic Preservation of the State Historic Society of Wisconsin and sponsored by the Portage Area Chamber of Commerce.

The current study has several stated goals that involve the Canal. One of the most immediate is to coordinate results of the survey with the COE flood control project, and try to increase the community's ability to implement resource protection, to aid the Division of Historic Preservation in assessing compliance issues associated with the Portage levee and Canal, to coordinate with the proposed designation of the Fox-Wisconsin National Heritage Corridor, and to produce tourism related educational material, such as a walking tour brochure, and other visual promotional materials. A more long term goal is to provide a basis for the city to pursue adoption of an historic preservation ordinance and investigate possible participation in the Wisconsin Main Street Program. Both the State Historic Society and the National Trust have models of ordinances that can be used by municipalities to help them formulate their own set of ordinances and controls for the preservation of historic structures.

There are two historic designations to consider: the State and the National Registers of Historic Places.¹³ This is a state or federal recognition of the historic and architectural significance of a property or a group of properties. Different designations carry different requirements and eligibility standards for participation in special programs, such as tax incentives, low cost loans, or direct grants. Being listed on the State or National Register only affords a certain measure of restriction or protection to a site or structure. If federal or state funds are to be used in a project that could impact, alter, or destroy any property listed on the National (or State) Register, the project must go through a review process. Unfortunately, historic structures that are not protected are altered and demolished all the time. Another level of protection is afforded through local jurisdictions that enact statutes and ordinances that serve to protect historic resources.

¹³ As well, the Ice Age Trail that runs along the south bank of the Canal is a National Scenic Historic Corridor.

The Fort area and the Canal itself are listed on the National Register of Historic Places, however there have been no local statutes or ordinances enacted for the protection of any historic sites or structures in Portage, or the town of Fort Winnebago. Additionally, the Canal has also been listed as one of the Wisconsin's ten most endangered historic properties by the State Historic Society and the Wisconsin Trust for Historic Preservation. The Canal can lose its official designation and be de-listed from the Register if it is significantly altered or destroyed. For example, if the Canal is filled in and a trail is created, technically the Canal no longer exists and could be de-listed.

Official historic designation confers a certain degree of importance on a site or structure. The extent to which this influences historic tourism and its attraction to an audience most likely defies measurement. Just as important as the official designation and recognition that it brings, is the context and content of the actual history. If the era, the events, the story and the historic personalities are presented in a compelling enough setting, their importance will be clearly communicated to an audience. Accordingly, the interpretation of history plays a key role in the public's ability to value, understand, and enjoy historic attractions.

Property Rights, Ownership, Disposition

There is still some lingering dispute and confusion as to the actual ownership, jurisdiction, rights and responsibilities regarding the Canal itself. Historically, the Canal passed through public and private ownership before it became the jurisdiction of the federal government in the 1870s. Both locks in Portage, the Wisconsin and Fort Winnebago on the Fox were closed in 1951, and in 1961 the Department of the Army transferred ownership to the state. In 1981, the Attorney General of the State designated the DNR as the governing authority of the Canal.

Until it can prove otherwise, the DNR admits to owning the Canal itself, but nothing beyond its banks. The DNR is not comfortable with the determination that they own the Canal, primarily because it represents a very atypical situation for them. While the DNR does own the beds under natural Lakes, generally speaking they do not own the beds under rivers or streams, and no beds under manmade waterways. By their own admission, the DNR is not structured for the ownership, management and stewardship of public lands in the traditional sense, the way a parks department would be. Consequently, ownership by the DNR has led to the current

situation of the Canal essentially being "orphaned" by its official owner. There is no ongoing DNR maintenance program for the Canal or levee areas. The City Parks Department has assumed the responsibility for mowing grass on the levee near the mouth of the Canal.

Research of the legal property rights was undertaken by the Portage Canal Society, and they found that Canal ownership traditionally should extend 75 feet in either direction from the center of the Canal bed. However, in the City of Portage, property owners along the Canal are understood to own their lots to the Canal's edge. Further analysis and project options assume that this generally accepted definition of individual ownership to the Canal edge will be the norm. Development options do not include encroachment beyond the banks of the Canal.

Easements along the southeastern banks of the Canal had been obtained from some land owners for the establishment of the Ice Age Trail. This path is not complete or continuous.

There is also some question as to the official ownership of the levee along the Wisconsin River near Portage. The Portage levee is actually part of a larger Portage levee system that also includes the Lewiston and Caledonia levees as well. Again, the city maintains that there is a State statute that says the levee is the responsibility and property of the Department of Natural Resources. The DNR owns no other such property in the State, and is conducting research on the actual ownership, jurisdiction and responsibilities of the entire levee system. Only a portion of the Portage levee is actually within city limits, the balance is in unincorporated Columbia County.

At this point, the ownership issues regarding the levee and the Canal are having an impact on the COE flood control project. According to the COE project, a local sponsor must be willing to commit 25 percent of the flood control project cost. Both the DNR and the city of Portage have been unwilling to become the local sponsor and commit funding. At this point, the local share will be an estimated \$2 million. There is uncertainty regarding the validity of the statute that dictates that the levee is State responsibility, and could be in violation of Wisconsin State law. The levee project could be judged as an "internal improvement", for which State funds cannot be used. Because of these unresolved issues, the State cannot give a "qualified opinion" (official) regarding the use or availability of bonding powers to fund the local share of the COE project.

The actual site of the Fort is just outside the Portage city limits, in the town of Fort Winnebago. The existing historic elements that comprise the larger Fort area are currently owned by a variety of parties. The Surgeons Quarters and Garrison School, adjacent to the actual Fort site, are owned and operated by the Daughters of the Revolution; the Fort site is on a privately owned farm; the Fort Winnebago Cemetery is owned and maintained by the Veteran's Administration; and the Indian Agency House is owned and operated by the Colonial Dames. The historic marker on a wayside off Highway 33 is on a small piece of land adjacent to the fort and is owned and maintained by the County.

The scattered ownership dictates that a certain level of cooperation and coordination be fostered for the existing elements. It would be much simpler to run all the existing historic elements as part of an integrated whole if they were under common ownership and management. The need to acquire the actual Fort site, which is now private property, would depend on the eventual scale of development at the Fort. Different development choices would dictate differing levels of access and control over the site.

Ownership can also be an issue when trying to secure public funds for development projects. Eligibility guidelines differ widely, and often they dictate ownership scenarios. For example, there are certain program funds that could be available for the Canal if it is municipally owned. As well there are restrictions against funding from the State Historic Society to historic sites that are affiliated with certain kinds of groups that are not a unit of government. For example existing affiliations could only be with non-profit, educational, non-restrictive membership organizations.

POLITICAL ISSUES AND PRIORITIES

Local

In an effort to build awareness of the project and to gauge the perceptions and existing level of support for the Canal and Fort, ERA interviewed approximately 26 local decision makers in a one-on-one format that was agreed to be confidential for the individuals who participated. The interviews were obviously not meant to be a scientific survey of the attitudes of all the citizens of Portage, but rather were designed to focus in on the local business leaders

who might eventually be asked to give future development in Portage their support, both financially, and otherwise. Our open-ended questions, the summarized answers and ERA's comments are as follows:

- a) What is your general opinion of the local economy?
- Economic conditions are good to excellent, especially when compared to the rest of the state.
 - Diversified industries and stable employers provide a good economy.
 - Conditions are much improved from over a decade ago.
 - Good potential because of proximity to Madison, the highway, quality of life, etc.

ERA Comment: The Portage leadership was as positive about the local economy as any group we have interviewed in recent years. In going over our notes, it was difficult to find a negative comment other than some concern about wage levels and a few individual issues.

- b) What role does tourism play in the local economy?
- Potential from Dells overflow including our lower priced rooms, quieter environment, and small town charm, or
 - Never a big deal for Portage since we can't compete with the Dells.
 - Potential because of Cascade Ski area, dog track, and attractive downtown.

ERA Comment: Interviewees were balanced regarding the potential for tourism as an economic opportunity. This was a bit of a surprise given the importance of tourism in the region and the emphasis some Wisconsin cities are putting on this function.

- c) What do you think of Downtown Portage and its future?
- Most said downtown was in good to excellent shape.
 - A number commented positively about the Business Improvement District (BID) and its accomplishments.
 - A downtown business transition is anticipated from traditional retailing to services, professional and specialty retailing.
 - A number of people discussed the vacant stores (3) and the cause and implications.

- The potential impact of Wal-Mart on downtown retailing was acknowledged and although some problems are anticipated, most, if not all, were very positive about the store locating in town.
- Several people suggested downtown could be better organized or could benefit from a few additional attractions.

ERA Comment: People personally involved in downtown are very proud and defensive (i.e., regarding recent vacancies). Any downtown successes or failures appear to be more important to local leadership than we have experienced in similar projects. We will explore the concept of downtown developing attractions that could give Wal-Mart and K-Mart shoppers an additional reason to include downtown in their visit.

d) What are your thoughts about the Canal?

- A few strong advocates who feel the Canal has real potential, if it is done right.
- Most were generally negative about the potential for developing the Canal.
- Many mentioned the lack of current maintenance or the desire that the City not end up funding future maintenance.
- Some diverse views on the Canal's historic importance (i.e., "never was an operating Canal" versus "it is the only Canal in Wisconsin".)
- Those inclined to be positive about the Canal's potential generally agreed it must have water in it to be an asset.

ERA Comment: If the Canal has development potential, it will need to be sold to local leadership. The concept of options (i.e., scenarios between filling it in and an active boat Canal) will need to be explored and explained. The concept of the Canal as a potential attraction for downtown development is not recognized. Locals are very concerned about who pays, especially potential operating costs.

e) What are your thoughts about the Fort?

- Positive about the potential but very vague about the development options or alternatives.
- Recognized as a legitimate historic amenity.
- Concern over protecting historic site from over-commercialization.
- Positive comments about the Mechanics Society idea.

ERA Comment: Like the Canal, most people did not know what developing the fort site could include or what options were possible. There is a generally positive feeling about the Fort and its historic importance, although it is clearly not linked to the Canal in people's minds.

A primary goal of the Portage Waterfront Corridor Committee should be to expose local decision makers to the program options and implications, as well as to explain the opportunities and constraints to the local population. This process should include:

- Clarification of the existing situation and potential options;
- Consensus on priority options and possible funding sources; and
- Authorization to proceed with an action strategy to achieve local objectives.

Columbia County

The county seat of Columbia County is Portage. Every county in the State is provided with the services of a University of Wisconsin-Extension community resources development agent. Their mission is mostly one of education. Priority projects for the current agent are solid and hazardous waste, and a community issues program focused on the Dells called "Youth Futures".

The Columbia County Economic Development Corporation is a newly formed local development corporation that will expand the scope of the current economic development activities conducted the economic development committee of the Chamber of Commerce. The Chamber committee will focus its efforts on the city of Portage, and the new entity will be working on a county-wide level.

There is no formal parks department for the county, and very modest resources are committed for their maintenance. The majority of responsibility for open space is within the municipal parks in the towns of Columbia County.

FUNDING SOURCES

State of Wisconsin

In general, Portage must marshal available resources, support, and technical assistance that is available from the State to further specific projects and goals that local initiative identifies and decides to pursue. Currently, the State's role could spread across several agencies and departments, the most significant of which is the DNR.

The Department of Natural Resources - as the actual owner of the Canal and the administrator of many programs that could potentially fund restoration and development on the Canal, the DNR will play a pivotal role in this effort. Currently the DNR has been involved in the COE flood control project, in that they have been asked by the City to be the local sponsor of the project. The Bureau of Land Management of the DNR appears unwilling at this point to assume a leadership role for the levee and Canal, and has asked the City to be the local sponsor. They have stated that they believe the flood control project and the Canal to be more of a state-wide project rather than merely a departmental project. Officials have stated that while the current budget did not include funding for the local share of the flood control project, perhaps something could be included elsewhere in the State budget, perhaps in the governor's budget.

There are several potential funding avenues through which the DNR could be an active partner in development at the Canal or the Fort. Many are mentioned here, and more fully discussed in the Financial Packaging section later in the report.

Programs within the Park Acquisition and Development Program that could apply to a development in Portage: The Land and Water Conservation Fund, Scenic Urban Waterways, Urban Green Space, Ice Age Trail Maintenance, Aids for the Acquisition and Development of Local Parks (ADPL), as well as other programs such as the Stewardship Fund. The ADPL fund is the newer incarnation of the now-defunct cigarette tax property fund.

The Stewardship fund is generally for the acquisition and development of land for public outdoor recreation. This could include active recreation such as sports facilities or more passive uses like trails. Some of the Stewardship funds are allocated to existing DNR projects such as the Ice Age Trail.

The Dingle Johnson funds are federal, but are administered by the DNR on a pass-through basis. This program was formerly used to fund only DNR internal projects, and is now open to units of government and specifically targets development of fishing and boating related facilities or improvements.

The Bureau of Land Management - there are Cultural Resource staff and a newly created Urban Rivers staff position that can aid with planning and technical assistance, as well as serve as a resource and guide for the various DNR funding application processes.

The Bureau of Parks and Recreation - this arm of the DNR is responsible for the State Parks. There are generally three ways in which a State park is created: the first is through their own internal planning, the second is through land that is given to the State especially for the purpose to become a park and is accepted by the department, and the third is through the legislature. The first two methods go through a master planning process to determine feasibility, define the character of the park, and identify funding for its development and operation. It has been stated that the State parks program would be reluctant to take on the Canal without funding, especially for operating expenses.

The Department of Development - The department is focused on specific business and job development, minority owner business creation and incubator programs. Technical assistance is available through programs such as the Community Based Economic Development program (CBED) is geared for start-up and entrepreneurial businesses. The goals of their existing programs and funding are generally aimed for traditional industrial and business development. Municipally owned facilities can apply for block grant funds, and public facilities programs. Public Facilities funds are targeted primarily for infrastructure such as sewers and streets, in communities that either lack the tax base or the resources to fund improvements that could facilitate new or expanding development. Community Planning grants that would have been an extension of their previous "Northern Initiatives" program have not been retained in their current budget.

The Division of Tourism - The Wisconsin Division of Tourism is potentially an important partner in the development of a historic attraction in Portage. The division is a participant in the National Trust for Historic Preservation's four-state Heritage Tourism Pilot Project, one of which is the Fox-Wisconsin National Heritage Corridor project. They have provided funding for the initial planning phases of these projects, and have been involved with the steering committee of the Fox River Corridor Study.

The division has grown substantially in the past few years and now has development consultants that have assigned territories, whose mission is to work with local chambers of commerce and tourism bureaus to help them use the divisions resources to the fullest, and provide technical assistance with promotion and marketing.

A major effort, that is now in its initial planning stages, is the celebration in 1998, the Sesquicentennial (150 year anniversary) of Wisconsin statehood. Tourism and celebrations will likely be centered around historic sites throughout the State, and there is a real opportunity for tourism development in Portage to culminate and coordinate with this effort. Under the direction of the Governor's office, a committee is now being appointed with representatives from various State departments and divisions. Portage has already communicated an interest to the Division of Tourism in hosting an event and tying in with future planned celebrations.

Wisconsin Housing and Economic Development Authority - The Tourism Fund administered by this agency, provides loan guarantees and reductions in interest obligations by providing annual interest subsidies on loans directly to lenders. Eligible activities and businesses include the development and expansion of existing tourism-related businesses. Lodging facilities, and businesses located within them, amusement facilities open to the public, gift shops, stores, concession stands, restaurants, and businesses that service them.

The Department of Transportation - Portage has the only Canal in the state, and it is an important part of the history of transportation growth and innovation in the state. As will be discussed in more detail later in the project, the new Intermodal Transportation Efficiency Act (ISTEA) specifically mandates that funds be spent on innovative enhancement projects. The rehabilitation and development of a Canal, and the historic preservation transportation heritage are characteristic of enhancement efforts around the Country.

State Historic Society - The Society has been involved in several of the historic studies conducted in the Portage area. There has also been some involvement with compliance of the Corps flood control project. The plans and project design had to be reviewed for its potential impact on the historic sites that could be affected by the project.

There are several ways in which the Society could play an important role in future development of the Canal or Fort site. At the preliminary decision making stages, the most obvious is in the provision of technical assistance. At later stages, more involvement may be appropriate, such as the application for additional Historic Preservation Fund Subgrants, application to become a Certified Local Government, and the participation in joint promotion and marketing of historic attractions.

As mentioned earlier, the Historic Preservation Fund Subgrants funded the current historic study, and are to be used for other activities such as historic architecture education and planning, preservation planning activities such as the preparation of design guidelines for historic properties, rehabilitation manuals, and the development of preservation ordinances. By becoming a Certified Local Government Portage could access other funds for innovative projects that do not necessarily fall within other program areas. As well, there are also State-owned and operated historic sites, such as Old World Wisconsin. Generally a site becomes part of this system by being donated to and then accepted by the SHS.

Department of Administration/ Board of Commission of Public Lands - this agency was created to handle land given to the state by the federal government. The vast majority of these lands have been sold, and the proceeds have been used to set up a fund to make low interest loans to municipalities. The proceeds of the loan fund are used by the State to fund schools and library districts. The program consists of loans only, no grants, and have limits of approximately \$300,000 to \$500,000 per calendar year. The loans can be used for a wide variety of projects, but they must be public, they cannot be for private development.

Special Legislation Awards - above and beyond the in-place programs, there is always the possibility for the award of special legislation that funds a project or creates a special situation for development.

Federal Agencies

The Army Corps of Engineers - As previously mentioned, the Corps must find a local sponsor for the planned flood control project in Portage. They have committed to perform mitigation measures, and have left the door open for future negotiation. The Corps determined these initial mitigation measures, through a workshop with citizens and the now-defunct Ad Hoc Committee on Flood Control and the Canal.

The National Parks Service - The NPS already has a small presence in Portage, a portion of the State-wide, NPS affiliated Ice Age Trail runs along the Canal. The proposed Fox-Wisconsin National Heritage Corridor would also have NPS affiliation. There are two basic ways in which a National Park is designated. The "official" process originates within their planning department, the NPS conducts theme studies to identify gaps in the existing system. The theme study would aim to identify the best or most appropriate site that would fulfill the theme. An example would be the glacier theme, the result would be the determination that parts of Wisconsin are the ideal site of an Ice Age Trail. Then a new area study (also called a suitability, feasibility, or special resources study) is conducted to determine if the site could be managed by the NPS. If the answer is yes, then the NPS initiates legislation to designate the park. Another, more common practice is that the feasibility study process is initiated by a town or special interest group that has already identified a theme or site, and has garnered enough support from their local congressional delegation to request the NPS study the site. The NPS then conducts the study, and the legislators from the local initiative introduce the legislation themselves.

In general this is the process; however, it does not follow any hard and fast rules. The NPS study process is not mandatory, and when they are conducted, Congress does not always follow the NPS recommendations or conclusions. Typically the NPS will say that they are not in a position to make a decision or recommendation on a site or potential park unless there has been a study process.

Corridors and heritage areas are a new concept for the National Park Service. The Illinois and Michigan National Heritage Corridor was the first established, in 1983. Consequently, there are no clear definitions or criteria that have been developed by which they

can be identified and evaluated. Another emerging category of parks that is still in the drafting and proposal stage is the American Heritage Landscape.

The NPS is moving away from the tradition of fully owning and operating parks, they are reluctant to add more parks to the already unwieldy system. Instead they are moving toward being affiliated, forming partnerships, and providing technical assistance and funding to local organizations or municipalities to own, develop, and manage heritage parks themselves.

Many of the reconstructed forts in this country are located in National Parks, and were indeed constructed and are managed by the NPS. Fort reconstructions have fallen out of favor for many reasons, and typically the only way a new one would be taken on by the NPS would be through special federal legislation.

The Veteran's Administration - As the owner and operator of the Fort Winnebago Cemetery, the VA has stated that they would be supportive of historic tourism that could involve the cemetery in some way, however, they have no official programs for funding of development or promotion. They occasionally do provide plaques that memorialize specific veterans that are interned in historic cemeteries.

Special Legislation - Beyond all the official programs and stated processes of application and approval, there is the more direct method of the Wisconsin federal congressional representatives, supporting, sponsoring and introducing special legislation either for the designation or funding of a project in Portage.

Financial and Funding Issues

For all development options and elements, it is imperative that both capital and operating funds be considered. The City of Portage, while desirous of new development and the tourism industry in particular, does not wish to take on more than it can handle. Local efforts have begun to pursue the possibilities of several different major public (state and federal) funding alternatives concurrently. It is important to realize that different programs and grants together may pay for separate elements of the desired developments in Portage. However, it is just as important to realize that these various efforts must now be conducted in a coordinated manner.

The Corps of Engineers flood control project will certainly provide some mitigation measures for Portage. Above and beyond that, there is a chance that an amendment be made, and the re-authorization could include significantly larger sums for capital improvements for the Canal.

The state will very likely be asked to participate in local shares of funding on a variety of development option elements, since many federal funding programs require local sponsorship in varying percentages. COE work could possibly be 25% of a total project budget, transportation improvements, further development of tourism projects such as the Corridor project or Ice Trail tie-in, operating funding for an interpretive center, fort development, etc., could all ask for local cost sharing. It is crucial that wherever possible, state funds be teamed as the local portion to secure federal funds.

Recent passage of new federal transportation legislation and the Intermodal Surface Transportation Efficiency Act (ISTEA) have brought new funds and (ultimately) programs to the Wisconsin Department of Transportation. Funding of some programs is to be funnelled largely through Metropolitan Planning Organizations (MPOs).

Portage, however, is not part of any of the existing MPOs and therefore would be covered by State transportation planning. Among the many stipulations in the ISTEA legislation, certain factors that must be considered by State plans that are particularly relevant to Portage include: recreational travel and tourism; national parks, recreation and scenic areas; and monuments and historic sites.

The legislation stipulates that plans must consider "The programming of expenditure on Enhancement Activities." Enhancements are largely subjective and loosely defined, major categories include: acquisition of scenic easements and scenic or historic sites; scenic or historic highway programs; historic preservation; historic transportation buildings (includes structures and facilities, rehabilitation, and operation); and archaeological planning and research. The structures and facilities of the historic transportation category includes such things as Canal viaducts, tow paths and locks, and other man-made transportation features. In New York State, ISTEA Enhancement funds are being used for the rehabilitation and maintenance of the Erie Canal.

The State of Wisconsin DOT is still in the process of structuring the expenditure of ISTEA funds. In the absence of a defined program and process, some funds have gone to existing programs only. There have been a series of meetings with MPOs around the state to gather input and determine interest in enhancement programs. There will most likely be a local matching component to any of the funding programs.

National Trust For Historic Preservation - Real opportunity for securing a piece, or other tangible element, of the larger Heritage Corridor tourism development project. While the corridor project may not guarantee large pools of funds for capital projects or land acquisition, the national designations and recognition would help with promotion and could be a key factor for helping secure other federal funding. The Main Street Program has helped small communities preserve their historic assets with an eye toward downtown business revitalization. It would provide an opportunity to build another element in the whole spectrum of historic attraction that the city could offer.

Private investment - will be a key element in the development of commercial attractions, tourist oriented shops, facade restoration, adjacent Canal development, etc. The formation of creative public-private partnerships will be essential in the successful implementation of tourism development. As well, maximizing public funds by leveraging them to encourage private investment could help attract further economic development.

For major public facilities, such as a museum or interpretive center, attracting private philanthropy and foundation interest and funding could play a pivotal role.

Economic Opportunities and Constraints - Prevailing local attitudes against spending city money to fund or maintain Canal or for improvements pose a considerable constraint.

Economic Impacts - the results of this analysis will in part dictate the level of resources local state and federal agencies are willing to commit. As mentioned earlier, if sufficient benefit can be justified, most parties would be more likely to participate in the development. A tourism development project of this type is not market driven in the traditional sense, rather it generates an induced type of demand. The more one puts into the development, the more one gets out of it. Local officials will especially need defensible documentation of potential program benefits if any City or local private sector support is to be forthcoming.

DEVELOPMENT OPTIONS

There is no plan at present for development at either the Fort or the Canal. One of the major objectives of this effort is to identify and evaluate the opportunities and implications for Portage of various development scenarios. Knowing these, the leadership and citizens of Portage can then begin to make decisions about the future of the Canal and Fort. Without these decisions, and a clear vision of what goals and objectives development plans are aimed at fulfilling, a consensus of what course development should follow will not be reached. Without consensus and backing of the city and its decision makers, it is doubtful that any goals can be fulfilled. The past several decades of inaction and neglect of both the Canal and the Fort site are a clear testament to this situation.

Generally speaking, possible development scenarios stretch across a wide spectrum. The conceptual plans could go from "do nothing" to "do everything", or be at almost any point in between the two extremes. A key concept to consider is how any of these development scenarios can be composed over time, perhaps even decades, in phases or in an incremental fashion.

The Canal

Continue Current - This option almost becomes moot in the face of the proposed COE flood control project. Something will most likely be done at the Portage levee at the mouth of the Canal, and whatever it eventually is, it will have some impact on the Canal. As mentioned previously, at this point the COE preferred design for the levee at the mouth of the Canal would be an earthen dam with a 48" culvert. This makes no provision for boat navigation or improved water flow. This scenario would present little change from the current physical condition of the Canal. The flood control project does include mitigation funds, that can be used in a variety of ways, as is explained in a later section of funding. To continue on the current course of inaction implies that Canal related development will not occur. There aren't any retail or consumer facilities that relate to or exploit the presence of the Canal. The town basically turns its back to it, and it is largely ignored.

Fill and Seed - As shown in the illustrative conceptual drawing (one) the Canal could be filled in¹⁴ to create a grassy trail that could still retain some appeal for visitors. Since the Ice Age trail does go through Portage along the south bank of the Canal, the natural history, as well as the transportation and frontier history could be tied together with displays and interpretive material along the Canal trail.

Partial Canal + Pathways - As shown in the illustrative conceptual drawing (two) the Canal could be partially filled in on either bank (or both) to create a hiking or biking path, and a narrower Canal for small boats. This essentially combines the "Fill and Seed" scenario with the option of retaining the Canal as a functioning waterway. The trail could be more developed or could be left to function more as an adjunct to the Canal. There could be commercial, visitor or recreation related development on the Canal in the downtown portion or at other points along the trail. There is a range in the level of development.

Canal Segments - if they prove to be insurmountable, the existing barriers to through navigation could be emphasized to create discrete Canal segments that would be used for a water related attraction, natural attraction, or development. In this way, water could be kept in the Canal, without the maintenance involved with retaining a more intensive water flow. There would be a downtown segment that would be more commercial, and perhaps an Indian Agency segment that would stress a different kind of activity and interaction with the Canal. Segments could be developed over time, perhaps with the eventual elimination of barriers.

Canal, Paths, Interpretive Center, Public Plaza - Canal or path development could include land side elements such as an interpretive center, museum, rehabilitated historic structures, and Canal oriented meeting and gathering places, as well as plazas or open green spaces. Heritage interpretation can build on the various aspects of Portage and Wisconsin history.

Full Canal Restoration - this represents the other end of the spectrum: the "do everything" so to speak. As shown in the illustrative drawing (three) the canal would be fully navigable, with paths, trails or perhaps right-of-way-easements along its length. There would be a major interpretive center with perhaps smaller ones at other points on the Canal, and

¹⁴ There are storm discharge drainage issues that would need to be resolved.

interpretive material along its course. There would be commercial development along the Canal, with passive and active Canal oriented recreation and activities perhaps a public plaza or other gathering spaces along it in the downtown area or near the historic sites. The Canal would be free of internal barriers to allow for the free passage of watercraft along it, and there would be functional navigation at either end to the Fox River and the Wisconsin River.

As the wide spectrum of development scenarios suggests, there is an almost infinite number of ideas, programs, and linkages that could come together in the form of development along the Canal. One such scenario of boat rides, outdoor restaurant seating, public spaces, and an interpretive center is shown in detail in the illustrative conceptual drawing (four).

The Fort

Continue Current - this would entail little change from the present scenario, the fort site would remain in private ownership, with just and the existing marker wayside marker and signs. The Fort Winnebago Cemetery, Surgeon's Quarters and Indian Agency House would remain as they are; no other related development would occur.

Modest Display - As the illustrative conceptual drawing (five) shows, this could entail perhaps a kiosk or more extensive signage type display than is there now, adjacent to the Fort site, either at the present way side or adjacent to the site, and would picture and explain the layout of the original Fort complex buildings, their functions, their significance, and their history. The display would also depict and explain the Fort's relation to the founding of the City of Portage and other historic areas and sites nearby. It could be housed in a simple, perhaps open-air structure or pavilion that has the above mentioned elements and other, more extensive displays that could perhaps include excavated artifacts, scale models, photographs, etc. This structure could be located adjacent to the actual Fort site and may or may not involve the acquisition of the site.

Interpretive/Archeological Center - As shown in the illustrative conceptual drawing (six), this could include the above in a more elaborate structure with restrooms, a gift shop, perhaps food service, interpretive guides, perhaps in costume or engaged in story telling. In addition to the more extensive displays and exhibits, it could also have an archeological dig site that

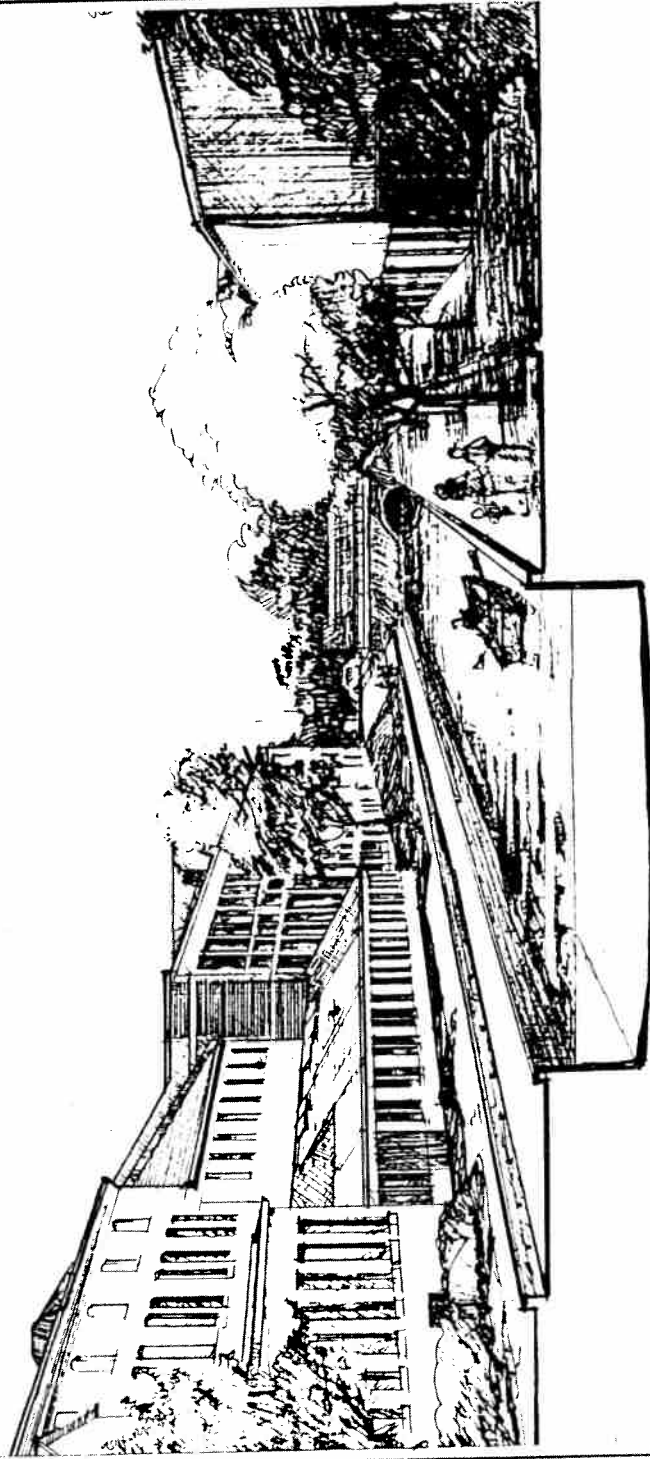
would be both educational for visitors, and provide more artifacts from and information about the details of life at the Fort.

Partial to Full Reconstruction/Excavation - As the illustrative drawing (seven) shows, this could include the center described above or, perhaps housed in one or more of the key Fort structures that has been reconstructed, is a replica of a portion of the old Fort. Full reconstruction could be an on going project of reconstructing all of the Fort buildings (more than a dozen) and the eventual creation of an "historic Fort Winnebago village" with crafts people, or blacksmith, guides in period costume, battle re-enactments, etc.

In order to take the feasibility study to the following stages, the table on the following page is a delineation of project options that ERA and the Steering Committee worked together to determine. They are concrete descriptions of hypothetical future situations.

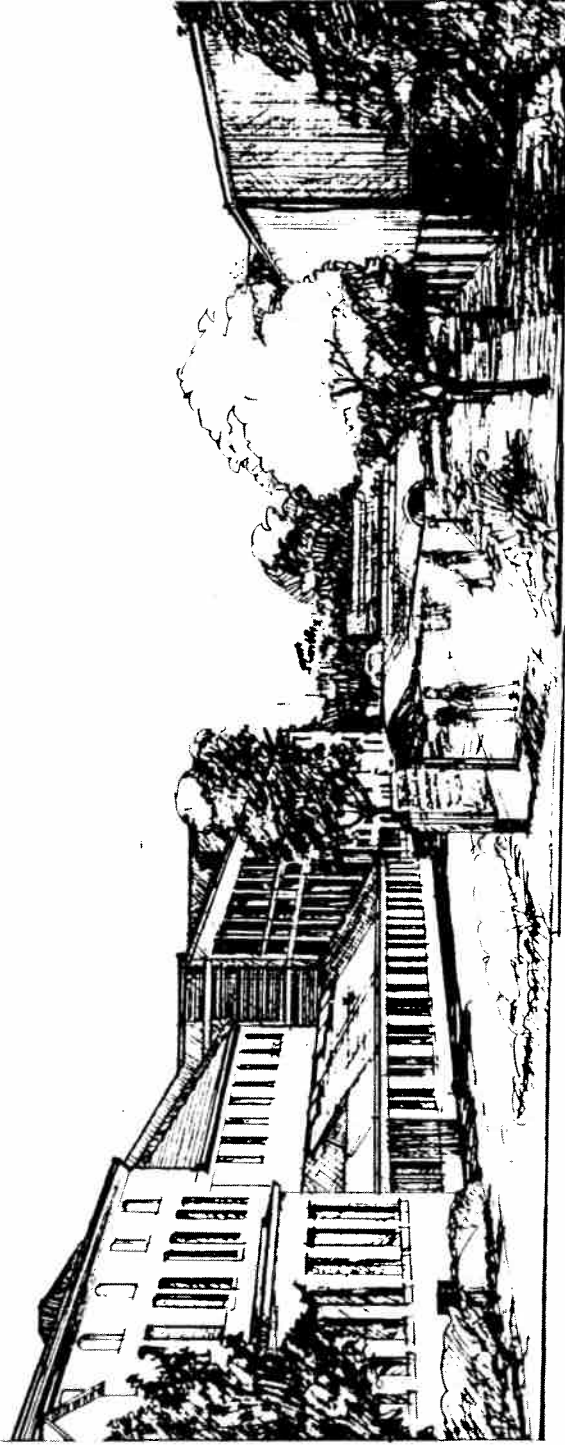
FORT OPTIONS	CANAL OPTIONS
1. Base Line (Continue Current)	1. Base Line (Continue current regardless of COE action at levee)
2. Modest Display (Un-staffed, open air way-side with maps, displays)	2. Fill and Seed (Entire length of Canal, interpretive signage and trails)
3. Visitor Center (Structure with exhibits, film or video, gift shop, part time interpretive staff, open seasonally)	3. Canal and Trails (Narrowed Canal and trails from Fox River to Adams Street, full Canal to locks, water supply elements, Canal interpretive center and restaurant, canoe rentals)
4. Partial Reconstruction and Visitor Center (Visitor center structure and one or more fort buildings reconstructed, exhibits, some live outdoor demonstrations, events, re-enactments, open seasonally)	4. Full Canal and Locks (Full Canal width, with some trails, working locks at both ends, replace two culverts, water supply, interpretive center and restaurant, canoe rentals, themed commercial attraction.)

ILLUSTRATIVE CONCEPTUAL DRAWING TWO



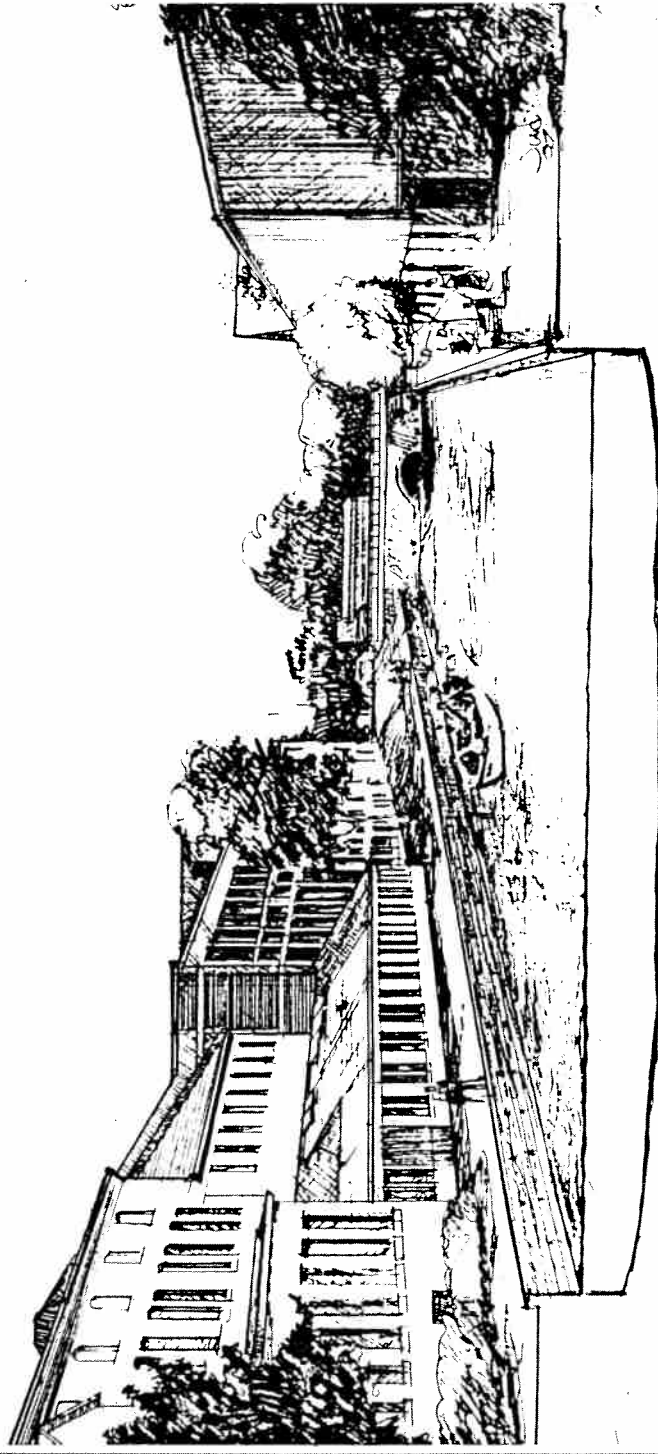
NARROWER CANAL WITH TRAILS

ILLUSTRATIVE CONCEPTUAL DRAWING ONE



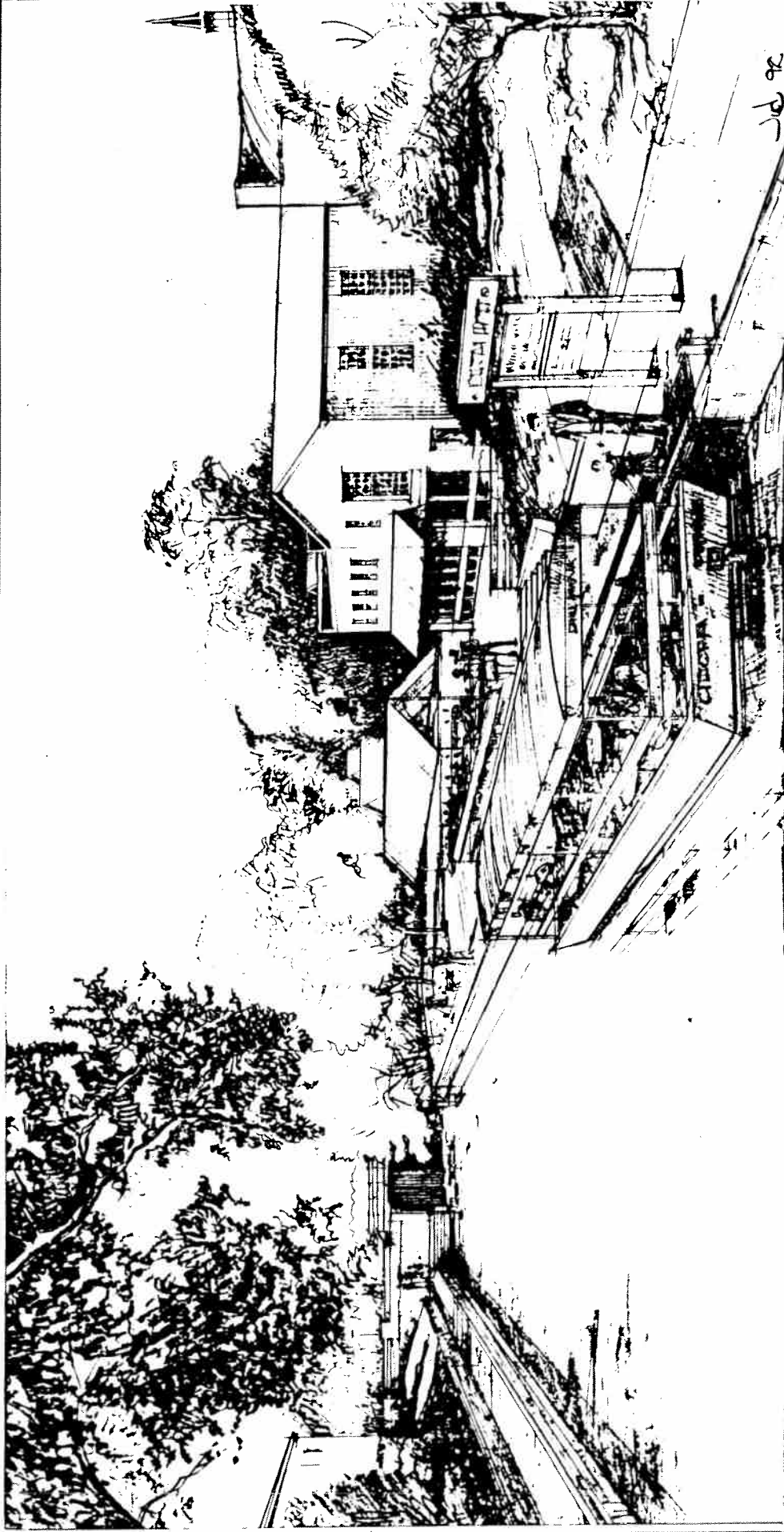
FILL AND SEED CANAL TO CREATE LINEAR PARK AND TRAIL

ILLUSTRATIVE CONCEPTUAL DRAWING THREE



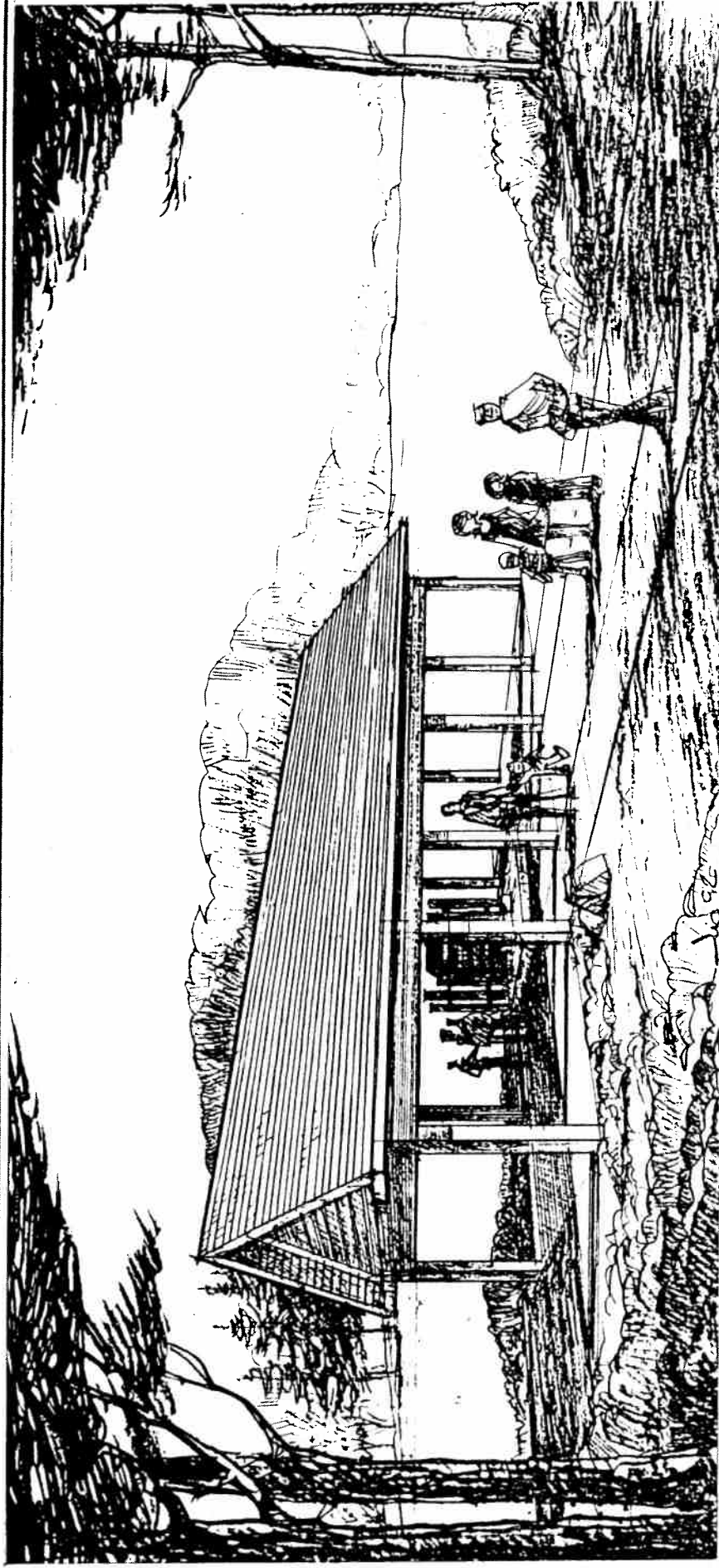
FULL CANAL RESTORATION

ILLUSTRATIVE CONCEPTUAL DRAWING FOUR



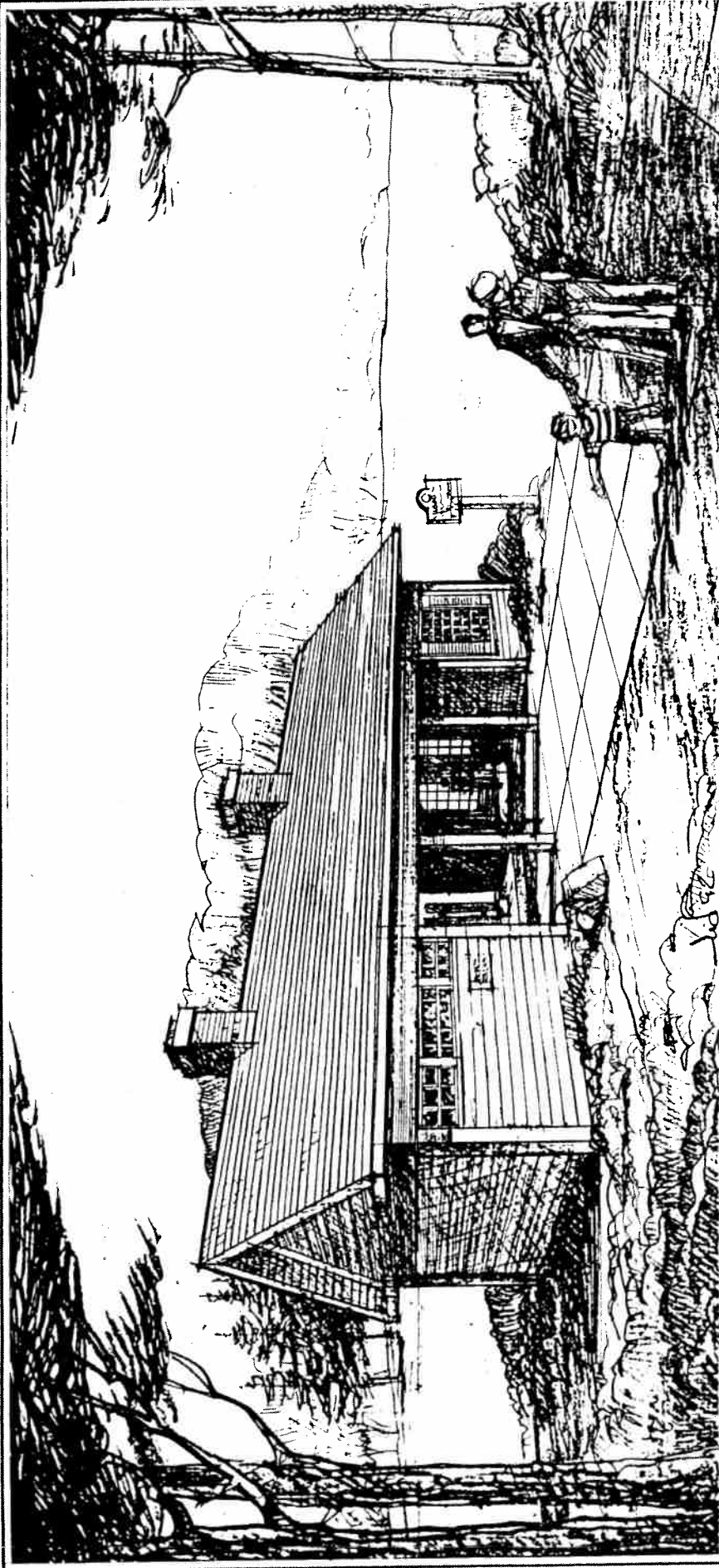
CANAL ORIENTED DEVELOPMENT

ILLUSTRATIVE CONCEPTUAL DRAWING FIVE



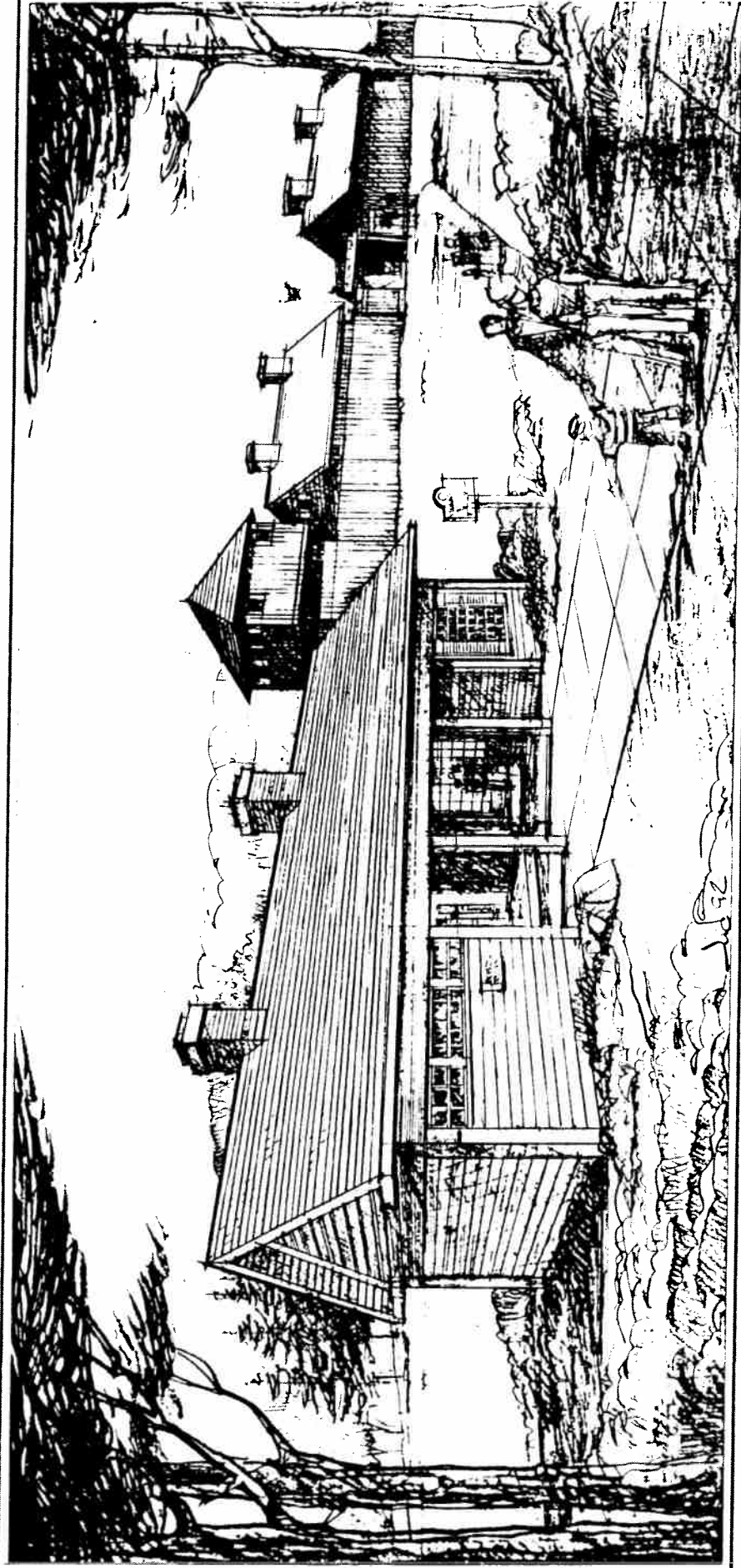
MODEST FORT DISPLAY

ILLUSTRATIVE CONCEPTUAL DRAWING SIX



FORT WINNEBAGO INTERPRETIVE AND VISITOR CENTER

ILLUSTRATIVE CONCEPTUAL DRAWING SEVEN



FORT WINNEBAGO INTERPRETIVE AND VISITOR CENTER AND
PARTIAL OR FULL RECONSTRUCTION OF FORT

Option Costs

Below are explanations and summaries of the costs of the various options for development at the Canal and Fort site. Additional construction cost details for the work on the Canal can be found in the Appendix. For all options on the Canal, costs are broken down into Canal sections. The total length of the Canal in this analysis is 11,400 feet. For all options below the sections are the same:

Section 1 is from the Old Locks (Wisconsin) to Adams Street (approximately 2,000 feet);

Section 2 is from Adams Street to the Railroad (approximately 3,500 feet);

Section 3 is from the Railroad to State Highway 33 (approximately 1,700 feet);

Section 4 is from State Highway 33 to the Fox River (approximately 4,200 feet).

Factors affecting cost estimates:

These estimates have been prepared at a very preliminary stage in the planning process, the feasibility analysis. Since there is no actual plan for the development of the attractions or improvements, there are certain unknown factors and variables that could considerably affect the accuracy of these estimates. Therefore, these estimates should be understood to be rough figures, subject to refinement when an option has been selected and designed for development. In the absence of certain details that would be determined by actual project design, ERA has made assumptions and relied on the experience of comparable situations. The costs involved in operating the visitor centers are considered separately in the economic impact chapter of the report.

It should be noted that specific unknown factors will have to be determined in the design and could significantly impact these estimates. Other factors that could impact costs, the consideration of which is beyond the scope of this analysis include: unforeseen or unreasonable delays in the development process, the use of volunteer or student labor, the donation of building materials or land, the discovery of toxic or hazardous materials in an existing building, in the Canal, or at a construction site, the need for extensive and very time consuming excavation or archaeological work.

CANAL OPTION ONE (BASELINE)

Since this option represents the "no change" scenario, for the purposes of this analysis, it is assumed that no capital or annual maintenance costs are incurred.

CANAL OPTION TWO (FILL & SEED)

\$ 2,879,000

Capital Costs on the Canal: for the Fill and Seed Option (2) the cost estimates include all hard (sand fill, storm sewer, topsoil and seeding, pathway elements, and landscaping), and soft costs (non-construction including: engineering, legal, administration, contingency, construction management).

Section 1:	478,000
Section 2:	852,000
Section 3:	440,000
Section 4:	<u>1,094,000</u>
TOTAL	\$ 2,864,000

The estimate for annual maintenance costs along Canal trail primarily involves maintaining the landscaped areas, mowing, planting, snow plowing.

Maintenance	\$ 7,000
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Interpretive signage along the trail are estimated to cost approximately \$1,000 per sign, including research, design, fabrication and installation. The signage system is assumed to have larger signs at the head and foot of the trail, and several along the course, for a total of 15 signs.

Interpretive	\$ 15,000
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CANAL OPTION THREE (PARTIAL CANAL AND TRAILS) \$ 1,940,000

Capital Costs on the Canal: this includes narrowing the Canal to make a path/trail along one side, from Adams Street to the Fox, maintaining the full Canal width from the Wisconsin Locks to Adams Street, and providing for sufficient water supply by constructing a concrete channel from the mouth of the Canal to the Wisconsin, and constructing a watertight weir or dike at the Fox River end of the Canal.

Section 1:	16,000
Section 2:	385,000
Section 3:	186,000
Section 4:	523,000
Water Supply	150,000
Plaza	<u>20,000</u>
TOTAL	\$ 1,300,000

The estimate for annual maintenance cost includes maintaining the trails and paths, and water supply channel cleaning.

Maintenance	\$ 7,200
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Visitor Center

The center would entail both capital costs and the interior exhibits and materials. For this analysis ERA has used the Nehls building as an ideal candidate for renovation into a Canal visitor center and restaurant. The cost of acquiring the building, is based on City of Portage assessment records. It is estimated to be valued at \$55,400, ERA has used an acquisition cost of \$60,000 to cover all related acquisition costs. The renovation is estimated to cost approximately \$25 per square foot of building area. The structure is estimated to have 8,000 square feet on the upper level, and 6,000 square feet on the lower level. This would put the renovation cost at approximately \$200,000. It is assumed that the restaurant on the lower level would be leased to an independent operator, and therefore, the cost of outfitting the facility is not included in this analysis.

There is a very wide range of possible costs for interpretive materials, that yield a correspondingly wide range in the quality of exhibits. For this analysis, it is assumed that a sufficiently high quality level of material at the center will be an essential element in providing a quality visitor experience, and achieving projected levels of visitation. An inferior quality interpretive program will not draw the projected levels of attendance. National Park Service designers and suppliers of interpretive material estimate that high quality exhibits typically cost from \$100 to \$300 per square foot of floor area used. This figure includes all costs including research and design, fabrication, and installation. The lower figure represents a more simple, static exhibit, and the high figure is for a more elaborate exhibit program that includes such things as interactive computer touch screens. For this analysis, ERA has used the lower figure of \$100 per square foot, based on 4,000 square feet of exhibit area, for a total cost of interpretive materials of \$400,000.

Visitor Center	\$ 260,000
Interpretive	\$ 400,000

CANAL OPTION FOUR: (FULL CANAL AND LOCKS) \$ 3,420,000

Capital Costs on the Canal: this would include the restoration or reconstruction of locks on both ends of the Canal, replacement of culverts at HWY 51/16 and Adams Street, water supply elements.

Section 1:	751,000
Section 2:	426,000
Section 3:	130,000
Section 4:	1,283,000
Water Supply	150,000
Plaza	<u>20,000</u>
TOTAL	\$ 2,760,000

The estimate for annual maintenance cost includes maintaining the trails and paths, and water supply channel cleaning.

Maintenance \$ 5,700

Visitor Center estimate is the same as Option 3.

Visitor Center	\$ 260,000
Interpretive Material	\$ 400,000

Factors affecting the Fort site specifically:

The site is on the National Register of Historic Places. If federal funds are used for reconstruction or development, all work would have to be conducted according to the guidelines and standards of the National Trust and the National Park Service. A Section 106 clearance would have to be obtained, and could entail significant amounts of excavation work before building could ensue at the site of the original Fort. Excavation and archaeological work could literally take years to complete for even a portion of the site. For this reason, ERA was unable to reliably formulate an estimate as to probable costs for excavation or archaeology work that may need to be done under Fort development option 4.

Some fort reconstruction projects therefore have used this excavation period as a time to build visitor awareness, garner local support and volunteer or student workers. One fort noted that during excavation, as many as 8,000 people would visit the site in the summer just to watch the excavation and see what was going on. As well, some projects conduct the excavation and research on small portions at a time, as part of the ongoing process of reconstruction. They proceed with new phases as they get the funding, and it is timed so that excavation of one portion takes place well in advance of the reconstruction of that particular element of the fort.

If federal funds are not used, the excavation and reconstruction does not have to follow such specific guidelines, however, there will no doubt be excavation and archaeological research conducted in the event of a reconstruction.

FORT OPTION ONE (BASELINE)

Since this option represents the "no change" scenario, for the purposes of this analysis, it is assumed that no capital or annual maintenance costs are incurred.

FORT OPTION TWO (WAYSIDE)

\$ 60,000

This would involve the construction of an open-air pavilion-type wayside with interpretive signs depicting the Fort and its history. This option would not likely involve the acquisition of any property, nor would it likely involve any excavation. The current wayside area would accommodate the exhibit area. Construction is estimated to cost \$50,000 and interpretive signage would cost approximately \$1,000 per unit. ERA has used an estimate of 10 interpretive signs for a total cost of \$10,000. Annual maintenance would be minimal.

FORT OPTION THREE (VISITOR CENTER)

\$ 400,000

Construction of a visitor center is estimated to cost \$50 per square foot. For a center that is 4,000 square feet the structure would cost approximately \$200,000. Similar to the estimate for interpretive materials inside the center, the cost is estimated to be \$100 per square foot of exhibit area, 2,000 square feet, for a total cost of \$200,000. Although this development option could conceivably necessitate the acquisition of additional land, for this estimate the present site is used. Excavation would not likely be a factor if no additional land is acquired.

FORT OPTION FOUR (RECONSTRUCTION)

\$ 825,000

The construction and interior exhibit materials for the visitor center are the same for this option as for option 3, \$200,000 for the building and \$200,000 for the interpretive exhibits. The reconstruction of the Fort would necessarily involve the acquisition of the site. The visitor center, construction of one or more fort buildings and most likely would entail the purchase of at least a portion of the original site, if not the entire original for site. While the exact size of the site necessary to accommodate a reconstructed fort would be determined in the actual design of the project. For this analysis ERA has assumed that at least 2 acres would be necessary, and local appraisers have estimated land costs to be approximately \$25,000. Since the land is not unencumbered, the cost of acquisition may be higher than this estimate.

The actual costs of reconstructing fort buildings can vary widely depending on the project design, choice of building(s) to reconstruct, the need for excavation and research, etc. In the absence of a project design, ERA has estimated the cost on the basis of a "level of effort". It is assumed that the fort buildings will offer at least as much space, both gross and net exhibit area, and therefore, costs are estimated to be roughly on the same scale as the visitor center building, \$400,000.

MARKET ASSESSMENT

Both the Canal and Fort concepts need to be integrated into current and near-term tourism opportunities. ERA has identified several different tiers of existing or potential tourism including:

- General tourist - goes to attractions that have broad appeal;
- Special interest tourist - this would include the history buff who would have an interest level in fort, actual Canal site, etc.;
- The nature buff - would be interested in wildlife or nature in the Canal or along the rivers, the Ice Age trail and Devil's Lake, could include campers, hikers, would follow trail or go canoeing;
- The activity buff - this would include avid skiers, snowmobilers, hunters;
- Shoppers - such as discount shoppers or antiquers; and
- Other - people combining trips with other activities, such as business people passing through.

Portage is near existing tourism functions. This means that market opportunity already exists, and there is no need to attract visitors to the area; just give those who are already coming to the area a reason to come to Portage. In addition, the recently opened Wal-Mart store expands the total Portage market area. This means more people (i.e., shoppers) will be in Portage. An Economic Development objective would be to have them do more during their visit, such as stop by the Canal, historic attractions, or the downtown area. Thus development of the Canal or Fort concept reinforces a variety of related community economic objectives:

- Attracting more of the region's visitors to Portage;
- Giving suburban shoppers a reason to visit downtown or the Hwy 51 South strip; and

- Assisting efforts to reposition downtown for changing market conditions

Tourism Overview

Tourism has received increasingly greater attention as an industry whose impact can be as significant as that of more traditional industries. A strong travel and tourism industry in a region serves as an export industry just as a major manufacturer does, by attracting outside dollars into the region. These dollars spread rapidly in the local or regional economy because they are spent simultaneously in a variety of places, including hotels, restaurants, attractions, and retail establishments.

A successful and productive tourism development program is very dynamic and requires the presence of many components. First, there must be a reason for people to visit a region or community for pleasure, recreation or vacation. This requires:

- **Attractions:** natural, man-made,, events, celebrations, recreation/ cultural/ education/ heritage/ archaeological themes to provide reasons for visitors to visit;
- **Promotion:** a program as a means of informing and drawing tourist to local/regional attractions;
- **Infrastructure:** a support system, roads, utilities, bridges, water and sewer, etc, to attract and serve the visitors;
- **Hospitality:** the presence of local human resources to serve visitors;
- **Services:** local businesses and organizational systems that are an essential part of the overall chain of components needed to serve and assist tourists. (lodging, food, fuel, visitor information centers, etc.)

All five of the above components need to be present in a successful tourism development effort. These components alone however, do not complete the equation. In addition, successful tourism development requires:

- Management and organizational capacity, coordination, and leadership to tie together the components;
- A market (the tourists who will visit); and
- The financial resources to make it all happen.

With the above five components, plus management capacity, an activated market and the financial resources, policies and strategies to stimulate tourism development can then be directed to whatever results and benefits that a local community perceives to be most important, including:

- Jobs and employment opportunities;
- Financial return (economic impact) ; and/or
- Enhancement of local quality of life (e.g., protection and preservation of local natural, historic, cultural and heritage resources; educational opportunities, community life and ambience, etc.

National Tourism Trends

Tourism has become this nation's third largest service industry, with nearly 6 million people employed. Domestic travelers spend over \$327 billion annually, and international travelers to the U.S. spend \$52.8 billion here every year, generating \$43.6 billion in travel tax revenues.

National trends indicate that vacation and travel patterns have been changing over the last two decades. The industry is constantly evolving and responding to demographic, economic and lifestyle changes in the population. Americans tend to take shorter, more frequent trips closer to home, travel parties are smaller, and industry change is characterized by an increasing diversity of wants and needs, than in the past. Summer is by far the most important season for vacation and pleasure travel. Automobile travel accounts for most (82 percent in 1990) summer

vacation trips, and is projected to grow to an even higher percentage. The highest growth area in travel is among people age 35 to 54. Due to the general aging of the population, this age group is expected to include 81 million people by the year 2000. In recessionary times, trips are shorter, and people tend to stay more with friends and relatives. Trends indicate that there is increasing polarization between low-budget/high volume travel, and high-end/high quality travel.

Cultural trends are also affecting future tourism development. Americans are increasingly aware and appreciative of the importance and value of discovering and preserving their own cultural identity, diversity, and heritage, and this is fueling a renewed interest in historic sites of all kinds. From the protection and preservation of Native American cultural artifacts, the revolutionary and frontier era, the Civil War, and most recently, the patterns and characteristics of rural and urban ethnic immigration and settlement.

The national trends have positive implications for tourism development in Portage. The development of an historic attraction, in particular, is on the cutting edge of new and unique experiences that visitors are increasingly demanding. The demographic changes and the growth of the motor coach touring industry can easily be maximized by the character and orientation of attractions.

Wisconsin Tourism

The Wisconsin Tourism Development Department publishes an annual report on the economic impact of expenditures by travelers on Wisconsin conducted by Davidson-Peterson Associates, Inc. Overall, in 1991 there were an estimated 25.8 million overnight "person visits" to Wisconsin, who spent and estimated \$5.9 billion during their visits. Figures for both the number of visitors and overall expenditures were down from 1990, primarily attributed to the economic downturn and effects of the Gulf War. The number of visitors was down 11.6 percent and spending was down 3.4 percent. The importance of the tourism industry in the State has only recently been officially recognized, consequently there are no historical figures to quantify changes that have occurred over the decades.

The industry has its beginnings in the attraction of the natural landscape, and began as a summer and second home destination for people in the more urban areas of the State and the Chicago metro area. The character of different destinations was first defined by geography, access and the natural elements. Over time, the type of development grew to also characterize different destinations. Some of the local trends parallel national trends, such as the fragmentation and specialization of markets and interests.

Tourism in the State is highly seasonal, with the highest proportion of visitor expenditures (44 percent) occurring during the months of June, July and August. Fall, September through December, accounted for 30 percent of expenditures; and winter, January through May, accounted for 26 percent of spending.

Although overall spending is down, spending patterns were found to be relatively unchanged from previous years: 29 percent for food, 26 percent for retail/shopping, 22 percent for recreation, 15 percent for lodging, and 8 percent for transportation.

Visitors are characterized by how long and where they stay while in Wisconsin. The largest proportion of visitors (63 percent) and the largest proportion of spending (62%) is by those who stay in paid accommodations. Those who stay with friends and relatives account for 32 percent of expenditures and 37 percent of the total "person visits".¹⁵ "Paid accommodations" are divided into the following categories:

1. Hotel/motel/resort = 41.9% of visitor days
Average length of stay: 2.21 days
Average size of party: 1.78 people
Origin: 50% in state, 46% other U.S., 3% Canada, 1% foreign
Trip purpose: 42% pleasure, 43% business, 14% meetings/convention, 1% other
2. Campers = 17.6% of visitor days
Average length of stay: 2.58 days
Average size of party: 3.43 people
Origin: 66% in state, 33% other U.S., 1% Canada
Trip purpose: N/A

¹⁵. Six percent of expenditures are by those who are visiting for the day or merely passing through on the way to other destinations. The pass-throughs are not included in the figure for "person visits," which is actually defined as the total number of overnight visits.

3. Cabins/cottages/condominiums = 3.2% of visitor days
Average length of stay: 4.98 days
Average size of party: 3.88 people
Origin: 43% in state, 57% other U.S.
Trip purpose: 95% pleasure, 4% business, 1% other

The categories above give an overview of the different elements that comprise visitors to Wisconsin. The figures above represent overall figures for 1991; it should be noted that among all the factors listed in each category, there are some fluctuations in the numbers by season.

The state-wide trends and characteristics of visitors must be examined carefully for their relevance and implications to future tourism development. Although the data is presented by type of overnight visit, spending patterns indicate that visitors spend much more on food, shopping and recreation together (77%) than on lodging. This is important in light of the fact that the Portage area does not have an extensive supply of lodging facilities, but does have large downtown and suburban shopping areas, and the potential for recreation and historic attraction development.

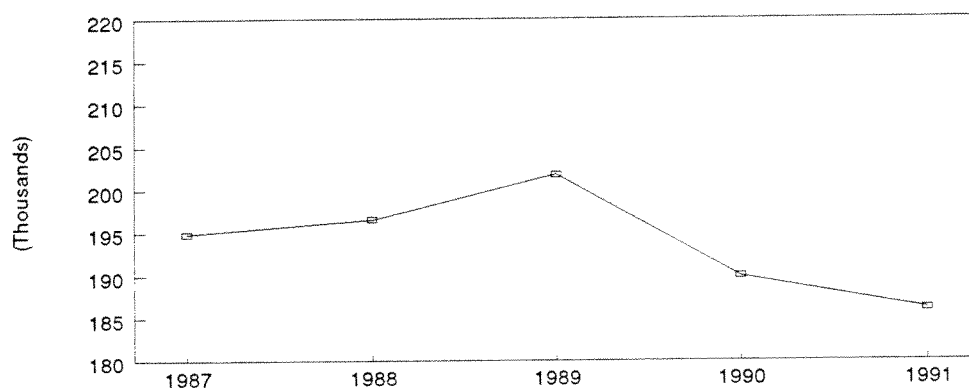
Historic Tourism in Wisconsin

Information on the State Historic Society-owned sites provides some indication as to the magnitude of interest in historic tourism. The attendance figures for historic sites includes the following: Madeline Island Historical Museum in La Pointe, Old World Wisconsin in Eagle, Pendarvis in Mineral Point, Stonefield in Cassville, Villa Louis in Prairie du Chien, and the Wade House in Greenbush. The Circus World Museum, while affiliated with the SHS, is rather different in character, and is considered separately in the section that discusses local (non-Dells) tourism. The following table shows figures for the last five years. Overall attendance in 1991 was down slightly from the year before, and down 7.8% from a peak in 1989. The trend lines in the graphs of the figures show that attendance has been relatively flat.

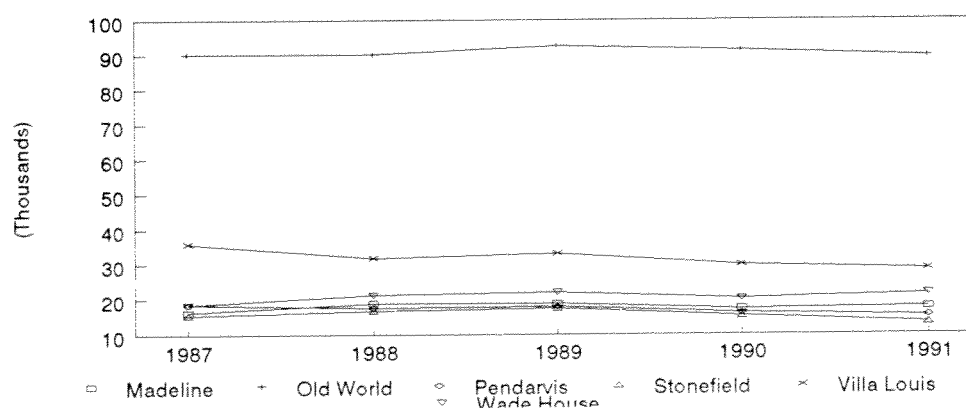
Table 1

State Historical Society of Wisconsin Attendance at Historic Sites

	1987	1988	1989	1990	1991
Madeline	16,332	18,890	18,792	17,285	17,736
Old World	90,169	90,165	92,592	91,194	89,487
Pendarvis	18,437	17,589	17,895	16,107	15,301
Stonefield	15,507	16,747	17,462	15,261	13,336
Villa Louis	35,949	31,898	33,027	29,877	28,657
Wade House	18,465	21,284	22,015	20,194	21,557
TOTAL	194,859	196,573	201,783	189,918	186,074



TOTAL ATTENDANCE AT HISTORIC SITES



ATTENDANCE AT EACH HISTORIC SITE

Source: The State Historical Society of Wisconsin

Implications/Conclusions

The increased recognition, stature, and funding, that the State is giving to the tourism industry in Wisconsin bodes well for the potential of tourism development in Portage. As well, the State's participation in the Heritage Tourism Pilot Initiative program is further indication that the State is behind efforts to diversify the market and expand the tourism industry state-wide.

The Wisconsin Dells

Since the tourism industry does vary widely within the state, it may be more relevant to draw market conclusions from the examination of data from the Wisconsin Dells, which is close to Portage and does have a very well developed market and attractions base.

Located approximately 15 miles northwest of Portage, the area comprises approximately 18 square miles located along 15 miles of river. The area has 82 identified attractions, 95 restaurants, 5,336 guest rooms, and 3,950 campsites in the area. the area has a rather small number of permanent residents (3,767), and consequently a much smaller percentage of visitors who stay with friends and relatives.

Tourism data in the Wisconsin Dells area is provided in part by reports that the Tourism Research and Resource Center of the University of Wisconsin-Extension has written for the Wisconsin Dells Visitor and Convention Bureau. The reports do not focus on volume of visitation as much as they characterize the origins and spending habits of visitors. An estimated 3 million people visited the Dells in 1991. Day trips and pass-through trips account for 26 percent, 54 percent stay in hotel/motel, 15 percent are campers, 4 percent stay in condos, 2 percent stay with friends or relatives, and 1 percent in cottages/cabins/or Bed and Breakfast Inns.

Party size averages 4.79, and not surprisingly, more than 75 percent of those parties are people traveling with children. Overall, parties of travelers stayed an average of 2.02 nights, and visited an average of 4.89 different attractions located in the Dells area. The average daily expenditure was \$199.69 per party, and \$41.69 per person.

Visitor origin shows that people from Wisconsin account for 38.2 percent of the visitors, and Illinois is second with 29.2 percent. The Madison and Milwaukee areas account for the most day-trippers (41.2 percent) than any other, and the largest percentage of overnight visitors in every category of lodging are from the Chicago area.

Tourism in the Dells has traditionally been very commercial and family oriented. There has been substantial growth in the last ten years especially and a great deal of investment and diversification in attractions development. An estimated \$50 million in investment has occurred in the last 5 years alone. Some of this has been attributed to the strong leadership role of the Wisconsin Dells Visitor and Convention Bureau. Their current budget was \$2.5 million, 70 percent of which is mandated to be spent in out-market promotion. While the vast majority of overnight visitors are families, there is a growing component of day-trippers within a one or two hour drive who come for new attractions such as water parks and the dog track. A significant characteristic of this attraction is that it provides night time entertainment, which is usually in short supply at a family-oriented vacation destination.

An indication of the diversification and maturation of the Dells tourism is characterized by the development of new non-family oriented, nighttime activities, such as gaming. This has introduced the Wisconsin Dells Greyhound track which opened in 1990. In its first year, there were admissions of 486,605; in 1991, there were admissions of 407,367. Attendance for 1992, year-to-date is 359,803, with the season ending in December.

Local Tourism

Portage itself has does not have much in the way of tourist attractions or visitor infrastructure. In the immediate Portage area, the two major historic attractions are the Surgeon's Quarters and the Indian Agency House. (The Zona Gale House is also open for visitors by appointment). Both engage in modest promotion, to the extent of small billboards and signs on some of the approaches to town, and pamphlets and fliers in the racks at the chamber and other locations in the area. The two seem to co-exist with equal amounts of rivalry and support for each other. There is no joint ticketing and little apparent effort at cooperation beyond mentioning the existence of the other to interested visitors. The Surgeons Quarters is the last remaining building that was part of the Fort Winnebago complex. The Garrison school

was moved to the site in the 1960s. The site is owned and operated by the Wisconsin Daughters of the Revolution, who bought it in 1937, restored it and opened it to the public as a museum in 1954. The DAR continues to fund the site, including a full time curator.

The Surgeon's Quarters has many historic artifacts from the original occupants, the Fort and the hospital that once stood nearby. The Garrison School has typical period one-room-school house furnishings. While many of the artifacts are original to the Fort and the hospital, the exhibits have not been professionally preserved, constructed or displayed. The curator resides in the visitor center / gift shop building at the site. Annual attendance is estimated at approximately 2,000. The curator indicates that this has been a stable amount over the last several years. Visitation consists of many school groups, and there was no clear indication as to the origin of other major sources of visitors. The staff did indicate that history buffs from all over the country do visit, but have little awareness of other attractions, both historic and otherwise, in Portage.

The old Fort Winnebago Cemetery is nearby, and includes internments from the early 1800s to 1920. It is 2 acres and has a total of 75 internments. It was closed to additional internments in 1920, and is owned and very well maintained by the Veteran's Administration.

The Indian Agency house is adjacent to the Canal, not far from the Fox River. It was restored and is owned and operated by the Wau-Bun chapter of the Colonial Dames, and was opened as a museum in 1932. The house was built for John Kinzie in 1832, and is furnished with period pieces. The neighboring registry house was built in 1960 and has a gift shop, an historic exhibit and a collection of Indian artifacts. Annual attendance is estimated to be similar to that of the Surgeon's Quarters.

There is an original tollgate house located on the south side of US Highway 51, near the Wisconsin River. The house was built in 1850 for the toll keeper on the Old Plank Road. It is not currently used and has been moved several times in various preservation efforts. This original structure could possibly be relocated again, this time to a permanent place near the Canal, and integrated into visitor attractions.

The Portage Area Chamber of Commerce has several committees that are involved in promoting and organizing functions within the City. The City bed tax does not fund the COC, rather they are funded by membership dues and some other fund raising activities. Their annual budget is approximately \$100,000.

Sandblast is a festival held on the sand bars in the Wisconsin River during the low water of summer. This year the festival drew an estimated 4,000 people to Portage for the event. It featured live music. The COC will no longer sponsor Sandblast, and planning has been assumed by the JayCees. The Downtown Business Association (DBA) sponsors and organizes the annual "Canal Days" Parade, that features local marching bands, Canal rides and races, and a rubber duck race on the river for charity.

Columbia County Economic Development Corporation (EDC) - is a non-profit economic development corporation set up by the county earlier this year. Staffing was completed in June and they have begun to assemble data and information to aid business who inquire or request information about the county. Their mission is marketing, retention and expansion of existing business, and the creation of new business. The EDC was formed in part as a response to the feeling that Columbia County was missing opportunities and could not compete for new business with counties that had established EDC's.

In the Greater Portage Area, (not including the Dells) one of the largest attractions is the Circus World Museum in Baraboo, Wisconsin. This is owned and operated by the State Historic Society of Wisconsin (SHS), but is considered separately from the other historic sites mentioned earlier. This 54-acre complex functions as a living history museum of the circus, and features live performances in the summer. There is also a large museum quality interpretive center, and a library and a center for advanced research on circus history and culture.

The facility obviously benefits from close proximity to other attractions, most notably the Dells, but also the more local Mid-Continent Railroad Museum, and the International Crane Foundation (nature center). A key factor for the success and popularity of Circus World is that it is perceived not only as an attraction but as an activity. This fits in well with the focus of Dells attractions as family and activity oriented.

The town of Baraboo has tried to maximize the impact of the visitor traffic from Circus World, there are several shops in downtown that carry specialty circus antiques and memorabilia, and there are several other small commercial attractions just down the road from Circus World, such as a Christmas shop. The magnitude of visitation, approximately 200,000 per year, far out-strips any other State Historic Society property.

Nearby Devil's Lake State Park is one of the most popular state parks in the Midwest and has one of the most popular campgrounds in the area. In 1991 over 1.3 million people visited there, up 22 percent from the previous year. It is also part of the state-wide Ice Age Trail that also runs through Portage. The trail is a National Scenic Trail that is part of the National Park Service. It is 1,000 miles long and traces the edges of the glaciers that once covered much of the state. There are portions that are in urban areas, such as the City of Portage and other portions of the trail, generally those that run through State and National parks are "certified" and maintained to National Park Service trail standards, and there are also proposed segments that are still in development, much of which goes through privately owned land. There is no measure for how many people visit the trail state-wide.

At Devil's Lake there is an Ice Age National Scientific Reserve Unit and modest visitor's center with a full time naturalist on staff. At some point in the future, when funding is available, a more extensive interpretive visitors' center is planned. The trail is administered jointly by the National Park Service and the State (Department of Natural Resources) and in was 1980 designated by Congress as a National Scenic Trail. There is also an Ice Age Foundation and an Ice Age council which administer many details of the project. The entire concept is similar to the proposed Heritage Corridor; one emphasizes natural history, the other cultural history. A new interpretive center was recently built in Chippewa Moraine and gives some indication at to what a new center at Devil's Lake would entail. Funding comes from the state parks department and the National Park Service, who pays for 1/4 of all development costs. At Chippewa, the building cost approximately \$500,000, and another estimated \$600,000 will be required to develop and install the exhibits and interpretive materials.

Roughly between Devil's Lake and Portage is Cascade Mountain Ski Area. Visitation at Cascade Mountain is very seasonal, occurring primarily during the winter. They report annual skier visits of over 130,000 during the 1991-1992 season. This is up from less than 40,000 skier visits for the 1982-1983 season. Management attributes the growth to their continued expansion of the facility. They have added new slopes, new lifts, and most recently they have added 3,000 square feet to their main clubhouse this season. They have no lodging of their own, but do run a booking service for their customers. They handle approximately 23 hotels and motels (as well as condominiums) in the Dells and Portage areas together. Management cited that more rooms at better prices are available in the winter in the Dells area than in the Portage area. Their big market area for day-trippers is Madison, further south to the state line, and the Chicago area is where their longer stay market is from. They do not have much indication as to how many people are looking for other activities in the area, however they publish a newsletter for their visitors, which does detail the historic attractions in Portage.

The Columbia County Historic Society museum is located in Pardeeville, approximately 8 miles from Portage. The museum was opened after the house was donated to the society in 1973. The building was once a hotel, and has an abundance of historic articles that have been donated by area residents over the years. The exhibits are quite crowded and apparently have not been professionally arranged or curated. The museum is open seasonally, from June 1st through September, management estimates that approximately 300 to 500 people visit annually.

The Portage Lodging Market

Portage has had a guest tax of 3 percent on hotel/motel rooms for approximately 2 1/2 years. The revenue is under the jurisdiction of a five-person City committee, and amounts to approximately \$50,000 annually. The funds cannot be used for salaries, and 92 percent is to be spent on activities for tourism. In the past, funds have been used for billboards and other advertising, signage for attractions, and plantings in some public areas.

One of the larger hotels in Portage estimates that a stable 50 percent of their clientele is leisure visitors, primarily those who are either visiting the Dells or Cascade Mountain. Another 15 percent is group business, and motor coach tours comprise much of that. They believe there is great potential for tourism in Portage and would like to see more intensive promotion, perhaps

with more billboards on the Interstate. Occupancy is approximately 60 percent, very close to the national average. Another commercial hotel declined to disclose market information, but stated they would be supportive of tourism development.

There are two Bed and Breakfast Inns: the Inn at Grady's Farm and the Breese Waye Bed and Breakfast Inn, each with four guest rooms. This type of lodging experience is very new to the area, and both properties reported that a large share of their clientele are first time B&B guests. Although they are a small component of the lodging inventory, their clientele is almost exclusively leisure travelers, and afford an in depth look at this emerging and growing segment of the market.

Grady's is a restored former farm house located on Hwy 33 near Cascade Mountain and has been open since January of 1992. Management's assessment of the market is only based on this limited amount of time in operation, but included several observations. People are drawn to the area for specific reasons, i.e., to go to Cascade Mountain, Devil's Lake, the Crane Foundation, or the Dells. Their clientele is, therefore, primarily destination driven. Families are not typically Bed and Breakfast clientele; they do not allow children under 12 years old at their Inn. Cascade clientele are mostly from the Chicago area; in the summer, they estimate that 75 percent of their clientele is from the Chicago and Milwaukee metro areas, and a very small percentage is from the Twin Cities area. Less than 10 percent of their market is business travelers, and those are generally in agribusiness. The leisure business is very seasonal; winter brings many skiers from Cascade; there is an early spring lull, then things pick up in late spring and through the summer, with lots of people who are going to Devil's Lake but not camping there, many hikers and bikers, people going for a weekend get-away, or romantic weekend. There is a lull after Labor Day, but at the time of the interview, management commented that their inquiries were picking up due to the fall foliage season. In general, most of the leisure traveler clientele at Grady's are in their thirties, and are staying at a Bed and Breakfast for the first time. Before they were listed in the Bed and Breakfast Association guide, virtually all of their calls were Chamber of Commerce referrals. They have found that their clientele has almost no awareness of the Canal or the existence of other historic attractions in Portage.

The Breese Waye's market is approximately 95 percent tourist. Many are drawn by the scenic, recreational or historic attractions in the area. Some are visiting the Dells, many others are bike riders and visiting the House on the Rock. There is some indication that customers are beginning to look at Portage more as a place to visit while there.

There are several campgrounds in the Portage area, and the city itself also rents out space at the fairgrounds as campsites. The fairgrounds have approximately 30 spaces, and five other area facilities (not including Devil's Lake) offer a total of approximately 865 campsites. A certain percentage of sites typically rent on a "seasonal" basis, that is, a party of campers will stay for an extended period of two or more weeks, some for more than a month.

MARKET CONCLUSIONS

Location in proximity to the Wisconsin Dells presents an enormous opportunity for tourism development in Portage. In particular, the Dells' almost exclusive commercial nature, and high incidence of repeat visitation bode well for the appeal of an historic or cultural attraction. With three million people visiting an area just beyond the Interstate from Portage, there is an opportunity to capture a portion of that market. This is especially true for those visiting the same destination year after year, who may be looking for new things to do and see each time they return. Portage could offer a visitor experience that is completely different from anything they would get at the Dells. Visitors with school-age children, especially from Wisconsin, would be prime candidates for a side trip to explore important State historic sites. In addition, historic sites offer a comparatively inexpensive break to the highly commercial Dells environment. It should be noted that Portage will have difficulty competing with the Dells on certain bases, most notably the quality and quantity of lodging facilities and dining.

In order for a program of tourism development in Portage to capture a market of any size, the program will have to offer a compelling enough reason to make the visit. This attraction power will be different for different kinds of visitors, and consequently, the estimates of visitation are broken down by the source of visitation. The largest potential market will be leisure travelers passing near Portage on their way to other attractions or destinations. They will also be among the most difficult to convince to make a stop in Portage. To capture these visitors, the attractions in Portage are also competing for the same people with many other

diversions. To the extent that Portage can offer something unique, so much the better. However, this market in particular is currently being drawn to the area for something very different from historic attractions.

Visitation Estimates

Estimates of the probable levels of visitation for the Portage projects were derived from determining the sources of demand and the appropriate levels of capture among those various sources of demand. The estimates of visitation are necessarily based on several factors that in reality, have yet to be fully determined. For the purposes of this analysis, the estimates are based on scenarios of development devised by ERA and the Project Steering Committee. These specific development scenarios, as well as their costs, are outlined in the preceding section of this report.

The national experience with visitation estimates is that there are many specific characteristics of the attraction itself that will have a considerable influence on attendance potential:

- The quality of the visitor experience
- Visitor retention power
- Concept's breadth of age appeal
- Ease of periodic change of attraction

In ERA's experience, the quality of the visitor experience is the foremost factor in the success of any attraction: it not only influences who and how many people come to the attraction, it also dictates how long visitors stay there, and if they would be likely to return or influence future visitation by positive word of mouth advertising. Quality is achieved through many mechanisms, some of the most important of which are educational value, excitement of material presented, opportunities for visitor participation, and a sense of enjoyment and discovery.

Retention power applies to how long a visitor can be kept interested in the Canal or Fort experience, and also refers to how well you will be able to entice the same visitor to return again. This can be achieved through live experiences, performing crafts, other participatory and live demonstrations, and also by offering different experiences, such as special events during different holidays or seasons. These adjunct activities are especially important for historic sites which tend to be somewhat passive experiences.

The breadth of age appeal truly applies to the ability to retain visitors as well. An attraction with a multi-faceted appeal will for example attract school children at a younger grade level for certain aspects, and another visit at a more advanced age to later explore more sophisticated aspects of the history or significance of the exhibited material. Similarly, for families to be interested the same depth of information, coupled with accessibility and understanding for children, makes for an exhibit that can be enjoyed by a much larger audience.

The ease of periodic change of exhibits again relates to how well an attraction can retain and attract repeat visitors, and can also reinforce the breadth of age appeal. The concept of a Fort project that constantly changes and evolves over time is a fine example of how an attraction can offer a visitor a new experience every time they visit. For example, the first visit may be to the excavation site, the second to the visitor center, the third, and thereafter to new parts of the Fort that have been constructed in the interim period. Offering different visitor participation projects at different phases has enormous potential to captivate an audience. This is especially so because so many of the attractions at the Dells are activity oriented, and it is what that audience in particular expects from a leisure or tourist attraction.

The estimates for visitation by source of demand are summarized in two tables, one that shows visitation estimates for the Canal development options and one that shows the visitation estimates for the Fort development options. While the analysis considers each option separately and independently, in reality, the development choices at either the Fort or the Canal will affect the visitation and drawing power of the other. For example, if Fort reconstruction (option four) were developed, it would have an influence on the drawing power of a development at the Canal. As well, a successful development at the Canal would have a positive effect on the ability of a development at the Fort site. Obviously, the relationship between the two has the potential for being very strong and reinforcing.

As is discussed more fully in a later section detailing the economic impact of tourism spending on Portage, ERA found that the determination of the baseline impact for existing tourism or leisure visitation to Portage was a rather elusive figure. Many of the standard procedures for measuring this figure were either not applicable or not valid for the specific situation in Portage. Perhaps because of the lack of tourism or visitor oriented facilities in Portage itself, the amount of tourism visitation is not presently tracked locally.

Visitor Traffic - Traffic Counts

Monthly traffic counts were used to derive the volume of visitor traffic passing by the Portage area. The traffic counts were supplied by the Wisconsin Department of Transportation, and represent the volume of vehicles traveling in both directions past a single point. (Tables are in the Appendix.)

Monthly figures were used in particular to determine what proportion of traffic is constant throughout the year, and what traffic is visitor traffic, on top of the existing base of residential traffic. While not exact, this methodology of estimating the size of a visitor market has proved to be a reliable measure of the magnitude of the available pool of visitors traveling to or from an area. This regional visitor market represents the people that could be targeted by the Canal and Fort programs.

This methodology assumes that the residential base of traffic stays fairly constant throughout the year. The tables of traffic counts, and the line graphs of the figures show that traffic peaks significantly during the summer months. The lowest monthly traffic volume (allowing for a small percentage of visitor traffic) is then subtracted from the monthly volume for the rest of the months, and a figure for monthly visitor traffic is determined.

Since this represents traffic in both directions, the number is then divided by two to avoid double counting vehicles coming and going. The figures count only vehicles, not people, so the number of vehicles is multiplied by an average number of people in the vehicles. Research data on average party size visiting the Wisconsin Dells places party size of overnight visitors over four people per party, while State of Wisconsin data on travel and tourism places the overall average party size in the state at 1.78 people per party. For this assessment ERA has chosen to use this as a conservative estimate of people per vehicle.

The traffic counts used were taken on I-90/94 at Dekorra, approximately four miles south of Highway 78, and also at US Highway 51 near 23. As the visitor projections show, a higher capture rate of visitor traffic is used for US 51 than for I-90/94, in part because 51 passes closer by the attractions, (especially the Canal), and also because it more likely carries visitor traffic closer to Portage, who are more likely to stop or to have heard about the local attractions. In capturing visitor traffic it is assumed that an appropriate level of promotion, marketing and advertizing, including highway signs, is in place.

Resident Markets

The market of regional residents was divided by ERA into a primary and secondary market. The primary comprises Adams, Columbia, Green Lake, Juneau, Marquette, and Sauk counties (and a population of 163,100), the secondary market comprises Dame, Dodge and Waushara counties (with a population of 471,600). A significant portion of the residential markets would be local school children on field trips and class excursions. ERA has conservatively estimated that children would visit the Fort or Canal more than once. One time as a younger student, for this analysis third grade was used, and once again when somewhat older, as in the eighth grade. The target school audience represents over 14,000 children in the total trade area. It is possible that children on school trips are double counted in the residential market capture, however, in ERA's experience, those families who have children who have visited the attraction are just as likely, if more so, to visit an educational attraction again.

This evaluation also recognizes the fact that residents in the primary trade area are currently visiting Portage to shop, especially at the suburban Wal-Mart and K-Mart. Our stress on the events and activity component of the Canal project reflects the importance of giving these existing visitors an additional reason to come downtown.

Special Interest Visitors

The special interest visitor, is one who is not already coming to the area to do something else, rather, they would be drawn specifically to the attraction because they have an interest in the subject matter. In contrast to visitor traffic, for whom location and proximity to other attractions or destinations is a key factor in the possibly of their visiting Portage; for the special

interest visitor, location and proximity to other attractions or destinations is of lesser importance. Consequently a different methodology is used to estimate the level of visitation by special interest visitors.

For the historic tourist, the existing level of visitation to other historic sites around the state were examined, both in terms of the individual levels of visitation achieved at each attraction, and collectively as a representation of the overall magnitude of historic tourism in the State. The existence of other historic sites and destinations in the region helps to reinforce the strength of draw for Portage. In particular, the strategic packaging of a several historic attractions or sites together as a day-long or weekend long historic excursion would be an ideal way in which to maximize economic impact.

To estimate the magnitude of the available market for the activity driven visitor, the hiker and canoer, regional participation rates for each activity were applied to the populations of the primary and secondary residential markets. These rates are compiled annually in a survey conducted by the National Sporting Goods Association.

Special Events Visitation

ERA has assumed that a regular program of both large and small events will be an integral part of the tourism development organized through the Canal and Fort visitor centers. (Therefore, events are assumed to not take place for either of the options number 2, the Fort wayside, and the filled in Canal trail.) Based on experience with other historic attractions and forts, four major events, typically centered on holidays or seasonal celebrations are quite standard. Often at the forts in particular they may involve re-enactments, or a fur trader rendezvous. The on-going calendar of smaller events could be centered on the Canal-side public plaza, and are an important way in which the attraction keeps local residents interested, as well as an added hook for attracting visitors in the area for other purposes, to linger and make their way down to the Canal, and downtown. The estimated level of visitation at large events is based in part on the previous experience of the Chamber of Commerce in Portage, who estimates that their Sandblast festival has attracted up to 4,000 people to the City.

Conclusions

ERA's estimates for visitor capture for the Canal and Fort development alternatives are presented in the following table. In every instance, we have made some basic assumptions about the Canal or Fort project in terms of the product being offered, its marketing program, and overall management. For example, we assumed a visitor center would be first rate with adequate marketing and management based on ERA's experience. Although it is not feasible to design the operating plans for the various options at this point, we have indicated the approximate operating costs that would be appropriate. In each case the three possible development options are evaluated. As indicated, the more comprehensive the Canal or Fort option considered, the higher the resulting number of visitors.

For each visitor demand source (i.e., through traffic on 90/94 or US 51, area residents or school children, etc.) ERA has indicated the total size of the market and what portion could be attracted to the various project options. For example, approximately 1.2 million area visitors per year travel on US 51 in the Portage area. Approximately 75 percent of this visitor traffic occurs between May 1 and September 30. For each project option, ERA has estimated a potential capture rate of the US 51 visitor market. The numbers reflect our experience with similar projects and assume average marketing, signage, etc.

ERA has also estimated visitation for a restaurant, events at the Canal, and for events at the Fort. How well these functions draw would obviously be determined by the actual marketing and quality of the operations.

Summary of Visitation at the Options

All figures are rounded, and do not include the estimate for attendance at events, in order to give a clear representation of market appeal. More detail is provided in the accompanying tables of the visitation estimates.

Canal Option 2 Fill and Seed 8,700 visitors	Fort Option 2 Wayside 4,500 visitors
Canal Option 3 Canal + Trails 37,000 visitors	Fort Option 3 Visitor Center 24,000 visitors
Canal Option 4 Full Canal 43,000 visitors	Fort Option 4 Reconstruction 34,000 visitors

Table 2a

Visitation Estimates for Canal Options

Demand Source	Estimated Available Market	Fill & Seed Trails Canal Option 2		Partial Canal & Paths Canal Option 3		Full Canal & Locks Canal Option 4	
		Capture Rate	Estimated Attend	Capture Rate	Estimated Attend	Capture Rate	Estimated Attend
Visitor Traffic ^a							
90/94	2,700,000	0.05%	1,350	0.25%	6,750	0.25%	6,750
US 51	1,200,000	0.10%	1,200	0.50%	6,000	0.50%	6,000
Residents 1 ^b	163,100	0.50%	816	1.25%	2,039	1.25%	2,039
Residents 2	471,600	0.25%	1,179	1.00%	4,716	1.00%	4,716
School kids 1 ^c	4,713	10.00%	236	75.00%	3,535	85.00%	4,006
School kids 2	9,830	5.00%	492	35.00%	3,441	50.00%	4,915
Hikers/Trail ^d	122,437	1.50%	1,837	1.55%	1,898	0.75%	918
Boaters/Canoes ^d	181,388	0.00%	0	1.25%	2,267	2.50%	4,535
Historic Tourist ^e	156,000	0.50%	780	3.00%	4,680	4.00%	6,240
Agency House	2,000	20.00%	400	50.00%	1,000	60.00%	1,200
Suregon's Quarters	2,000	20.00%	400	50.00%	1,000	60.00%	1,200
Sub-TOTAL VISITS			8,689		37,325		42,519
Events ^f			N/A		23,500		23,500
Visits and Events					60,825		66,019

Notes:

a. Visitor Traffic is derived from monthly traffic counts. There is a detailed explanation in the text.

b. Primary residential market includes the population of Columbia, Sauk, Marquette, Green Lake, Adams, and Juneau counties. The secondary residential market includes the population of Dane, Waushara and Dodge counties.

c. Primary and secondary markets are the same as the residential market counties.

The figure includes children enrolled in public schools, in both grades 3 and 8.

d. The available market figure for hikers and canoers are derived by applying regional participation rates for each activity, as determined by the National Sporting Goods Association, to the available market of visitor traffic and residents.

e. The market for historic tourism was determined by existing levels of visitation to similar historic sites.

f. Events estimate is based on 4 major events a year, and an ongoing calendar of at least 15 smaller events.

Source:

Economics Research Associates, Wisconsin Department of Transportation, U.S. Bureau of the Census, Wisconsin Department of Public Instruction, National Sporting Goods Association, Wisconsin State Historic Society, The Indian Agency House, The Surgeon's Quarters, The Portage Area Chamber of Commerce.

Table 2b

Visitation Estimates for Fort Options

Demand Source	Estimated Available Market	Wayside Fort Option 2		Visitor Center Fort Option 3		Reconstruct Fort Option 4	
		Capture Rate	Estimated Attend	Capture Rate	Estimated Attend	Capture Rate	Estimated Attend
Visitor Traffic ^a							
90/94	2,700,000	0.00%	0	0.05%	1,350	0.10%	2,700
US 51	1,200,000	0.00%	0	0.10%	1,200	0.20%	2,400
Residents 1 ^b	163,100	0.00%	0	2.00%	3,262	2.25%	3,670
Residents 2	471,600	0.00%	0	1.00%	4,716	1.25%	5,895
School kids 1 ^c	4,713	0.00%	0	75.00%	3,535	85.00%	4,006
School kids 2	9,830	0.00%	0	35.00%	3,441	50.00%	4,915
Historic Tourist ^d	156,000	1.00%	1,560	2.00%	3,120	4.00%	6,240
Agency House	2,000	65.00%	1,300	85.00%	1,700	100.00%	2,000
Suregon's Quarters	2,000	80.00%	1,600	100.00%	2,000	100.00%	2,000
Sub-TOTAL VISITS			4,460		24,323		33,826
Events ^e					7,500		15,000
Visits and Events					31,823		48,826

Notes:

- a. Visitor Traffic is derived from monthly traffic counts. There is a detailed explanation in the appendix.
- b. Primary residential market includes the population of Columbia, Sauk, Marquette, Green Lake, Adams, and Juneau counties. The secondary residential market includes the population of Dane, Waushara and Dodge counties.
- c. Primary and secondary markets are the same as the residential market counties. The figure includes children enrolled in public schools, in two likely visitor target grades, 3rd and 8th.
- d. The market for historic tourism was determined by existing levels of visitation to similar historic sites.
- e. Events estimate is based on 4 major events a year, coinciding with the major canal events.

Source:

Economics Research Associates, Wisconsin Department of Transportation, U.S. Bureau of the Census, Wisconsin Department of Public Instruction, National Sporting Goods Association, Wisconsin State Historic Society, The Indian Agency House, The Surgeon's Quarters, The Portage Area Chamber of Commerce.

ECONOMIC IMPACT

Existing Base Line

One recognized method of measuring the existing levels of local tourism is to examine the current levels of total taxable receipts for certain specifically tourism spending sensitive businesses. The Tourism Research and Resource Center of the University of Wisconsin Extension compiles data of county-wide tax receipts in tourism sensitive businesses and compares that to the population of the county. If the per capita sales tax in these industries is very high, it is an indication that a portion of these sales are to non-residents.

In the absence of a clearly defined number of people who visit the Portage area, this tourism sensitive sales data was used to determine the magnitude of existing visitation to the area, and its economic impact.

In Columbia County the county-wide sales tax is a flat 1/2 percent, and has not changed since its introduction in mid-1989. The specific categories of sales that are deemed to be "tourism sensitive" include: general merchandise; food stores; auto dealers and service stations; eating and drinking places; miscellaneous retail; lodging including hotel, motels, resort, and campground; and amusement and recreation. In 1990, the first full year the tax was collected, a net sales tax per capita of \$30.62 was computed. In 1991, a net sales tax per capita of \$33.57 was computed.

Of all the counties state-wide that have this tax, 24 total, this level of per capita proceeds is in the middle of the range, 13th out of 24. The highest was Door County, where the net tourism sensitive sales tax is \$51.93 per capita. (Unfortunately, Sauk County does not have a county-wide tax and cannot give us an indication of the influence that visitation, specifically at the Dells, may have on this rate.) Other counties with high per capita net sales receipts included: Oneida, Vilas, Walworth and Marathon. The lowest rates were in Pierce and Buffalo, both with net sales tax per capita of approximately \$20. Marquette is the only county adjacent to Columbia County that has the tax.

Based on the available State information, it would appear tourism expenditures in Portage are about mid-range for the 24 counties the State evaluates (\$33.00 out of a range of \$20.00 to a high of \$53.00). This information as well as our local interviews supports the contention that Portage currently has a small but important tourist business. In ERA's opinion however, the State methodology does not, and probably will not, permit a defensible methodology to measure tourism impacts.

Impact of Development Options

The economic impacts of the Canal and Fort development options are complex, and at the feasibility stage are necessarily dependent on many assumptions and uncertainties. The estimates of development costs, facility and program quality, and resulting ability to attract visitation and dollars, are not exact and represent probable ranges. This should be considered when evaluating the resulting economic impact, and cost benefit evaluations. There are obviously many as yet unknown factors that could have a significant impact on costs and the ability to attract visitors.

ERA's assessment included a number of potential economic impacts including:

- Direct Impacts - Project construction costs including labor and materials, jobs created at the project (e.g., staff, maintenance, restaurant, etc.), ongoing purchases of supplies and materials, and expenditures created as a result of visitation to the projects.
- Indirect Impacts - (Induced and Multiplier Impacts) A recognized, but more difficult to quantify additional form of economic impact, includes the more far-reaching, "ripple" effects that different kinds of new spending will have on the economy in general, not just in the categories that receive the new spending. The multiplier is applied to the projected dollar amounts of new spending by specific industry, and gives the impact of this new spending as it affects the economy in all industries. For example, a certain level of new spending is estimated to occur as a result of a development option such as wages, purchases, etc. The indirect effects of new spending eventually spread to all industries through increased purchasing, wages, etc. The people earning wages spend money in the community or the supplies purchased generate wages for supplier employees who then spend money in the community, etc., etc.

The first direct impacts includes the money spent on the development of new attractions. Depending on the development option pursued this could include everything from structural work done on the Canal itself, construction of bridges or retaining walls, construction or rehabilitation of buildings to create a visitor center, the money spent to conduct archaeological excavations of the Fort, research and design of specific facilities, research, design, fabrication and installation of interpretive materials and exhibits.

The extent to which these activities have an impact on Portage is directly dependent on the amount of money spent locally to complete the work. Is the architect local? Is the construction firm local? Where are supplies and equipment purchased? In a town the size of Portage it is assumed that certain contracts could be filled locally, but that many others will be conducted by firms or personnel from outside the area or outside the state.

Visitation Impacts

The next stage of direct impacts are derived from the visitors who are projected to visit Portage as a direct consequence of a specific development option. Detailed breakdowns estimating visitor spending are shown in the accompanying table. In general, the amount a visitor spends while in town at an attraction, other than admission fees, is directly related to how much time a visitor spends there. The visitor center itself is estimated to captivate the typical attendee for an average of 30 to 45 minutes at best. Activities such as a hike, a guided tour, canoeing on the Canal, or live action craft demonstrations add significantly to the amount of time a visitor lingers. The events tend to have a more intensive economic impact for the same reason. A whole day or an entire weekend of programs could entice visitors to stay for several hours, the whole day, or even overnight.

The Canal Options

In development option 2, which creates a trail along the filled-in Canal, there are obviously no on-site impacts, since there are no facilities at which a visitor can make purchases. All spending would occur off-site, either downtown, or elsewhere in Portage. A hike on the trail is estimated to take approximately one hour, and spending levels reflect the amount of time a visitor is in town and has the opportunity to spend money.

Table 3a

Estimate of Direct Canal Impacts

	Admissions ^a		Food & Beverage ^b		Retail/gifts ^c		Lodging ^d		Canoe	
	Estimated Visitors	Visitor Center Adult Child	On-site	Off-site	On-site	Off-site	Hotel	Campers	Rentals ^e	
Fill & Seed										
Option 2										
Visit traffic	2,550				1,913		1,913			
Residents	1,995				1,496		1,496			
School Kids	728				546		546			
Hikers	1,837				1,377		1,377			
Canoers	0				0		0			
Historic	1,580				1,185		1,185			
TOTAL	8,689	N/A	N/A	N/A	6,517	N/A	6,517	0	0	N/A
Partial Canal										
Option 3										
Visit traffic	12,750	19,125	9,563	9,563	4,781	7,172	4,781	0	0	6,375
Residents	6,755	15,198	2,533	5,066	2,533	3,800	2,533	0	0	3,377
School Kids	6,975	0	10,463	5,231	0	2,616	0	0	0	0
Hikers	1,898	4,270	712	1,423	712	1,067	712	0	0	949
Canoers	2,267	5,102	850	3,401	850	1,871	850	0	0	2,721
Historic	6,680	15,030	2,505	5,010	2,505	2,756	2,505	0	0	668
sub-TOTAL	37,325	58,725	26,625	29,694	11,381	19,281	11,381	0	0	14,090
Events	23,500	11,750	5,875	17,625	35,250	17,625	35,250	22,121	3,160	11,750
TOTAL	60,825	70,475	32,500	47,319	46,631	36,906	46,631	22,121	3,160	25,840
Full Canal & Locks										
Option 4										
Visit traffic	12,750	19,125	9,563	9,563	4,781	7,172	4,781	0	0	6,375
Residents	6,755	15,198	2,533	5,066	2,533	5,066	2,533	0	0	6,755
School Kids	8,921	0	13,382	6,691	0	3,345	0	0	0	0
Hikers	918	2,066	344	689	344	517	344	0	0	459
Canoers	4,535	10,203	1,701	6,802	1,701	4,251	1,701	0	0	6,802
Historic	8,640	19,440	3,240	6,480	3,240	3,564	3,240	0	0	864
sub-TOTAL	42,519	66,032	30,762	35,290	12,599	23,915	12,599	0	0	21,255
Events	23,500	11,750	5,875	17,625	35,250	17,625	35,250	22,121	3,160	11,750
TOTAL	66,019	77,782	36,637	52,915	47,849	41,540	47,849	22,121	3,160	33,005

Notes:

Estimates of spending by visitors are generally based on how much time the visitor spends at the attraction and if applicable, while in town as well.

a. Admission to the visitor center is assumed to be \$3 for adults, and \$1.50 for children. Visitor traffic is assumed to be 50% adult and 50% child, all other groups are assumed to be 75% adult, and 25% child.

b. The estimate for on-site includes the restaurant below the visitor center, off-site includes any food or drink purchased by a visitor elsewhere in Portage.

c. Retail on-site includes the visitor center gift shop, off-site includes any purchases made in Portage. The off-site figure includes general merchandise, miscellaneous retail, and service stations.

d. Canoe rentals assumes there is a concession located on or very near the canal, with at least 15 canoes, which rent for \$5 for an hour.

Source: Economics Research Associates

Development options 3 and 4 both include the development of a visitor center and a restaurant adjacent to the Canal, and a canoe rental concession as well. A visit to the center would average one half hour, a canoe ride, one hour. The visitor center is assumed to have an admission charge of \$3.00 for adults and \$1.50 for children. The center is assumed to be open daily during the peak season of June, July and August; during the shoulder seasons of May, September and October, it would be open daily but with reduced hours, during March, April and November it would be open on weekends only, and it would close for the months of December, January and February.

The visitor markets would likely have different ratios of children to adults, ERA has estimated that the visitor traffic would be 50 percent adult and 50 percent child, and the remaining markets, the residential, and special interest visitors, would likely be 75 percent adult and 25 percent children. Based on the levels of visitation, and the amount of visitors from each category who will likely rent a canoe, appropriate levels of spending at the on-site gift shop and at the restaurant have been estimated. As well, the revenue from canoe rental is estimated by applying a capture rate to the visitors by category, with an average of 2.5 people per canoe rental, and a rental price of \$5.

Option 4, which offers both through navigation on the ends of the Canal and better clearance along the Canal, reflects a higher demand for canoes. ERA estimates that 15 canoes would adequately support the projected levels of visitation and demand for canoe usage. (Patrons would also be able to bring their own canoes for use on the Canal for no fee.)

For both options, spending off-site is directly related to how long the visitors stay in town, and how likely they are to walk along Portage's downtown streets. In this respect, having parking for visitors not limited to adjacent lots would tend to maximize visitors' exposure to "spending opportunities" in downtown. ERA has calculated that at peak demand times the Canal visitor center is unlikely to require more than 50 parking spaces at one time. Rather than pave over Canal-side land that would be ideally suited for future Canal-related development, it makes more sense to let visitors park in the lots that are already located in and around downtown.

The estimates for spending show the impact of a rather ambitious program of events. The estimates reflect four larger scale events, that are estimated to draw 4,000 people, and another series of smaller scale events and activities centered around the Canal center plaza. The events have more intensive economic impacts because visitors will stay longer if there is something to keep them occupied. Consequently, the events are the only place where any lodging impact is shown. It is unlikely that visitors will stay overnight if they will be in Portage for such a short time; However, if they are occupied all day long, and perhaps for the whole weekend, it is more likely. As well, special visitors from another area who may be involved in the planning or with the activities at the event will be more likely to stay overnight.

The restaurant would be housed in the lower level of the Canal visitor center, opening up at the rear to a plaza on the banks of the Canal. It is assumed that the center would lease the restaurant space to an independent operator. The lower level has 6,000 square feet gross floor area, which ERA estimates would accommodate a 3,000 square foot restaurant. Typically, a restaurant fits a maximum of 15 square feet per person, meaning this rather large space could accommodate a 200-seat facility. However, ERA has based analysis on a 100-seat facility, a more appropriate scale for the setting.

ERA believes that the restaurant should stay open year-round and function as an independent facility, as well as a part of the visitor attraction of the Canal center. The visitor spending estimates show the magnitude of business that the restaurant is estimated to capture from Canal visitors. However, this figure will be supplemented by spending that local residents and other visitors or those passing through town would spend at the restaurant.

The Fort Options

As would be expected, option 2, the wayside, is projected to have a negligible economic impact. Visitation at the wayside would be nearly impossible to measure, as a visitor would leave no indication of having been there. The little spending that is shown was derived by projecting the number of visitors who would stay and read the signs, and then go on to spend elsewhere in town. The open nature of the wayside is a unique situation, and these spending figures should be understood not as literal estimates, but merely as representative of the magnitude of spending one would expect.

Table 3b

Estimate of Direct Fort Impact

	Estimated Visitors	Admissions ^a		Food & Beverage ^b		Retail/gifts ^c		Lodging ^d	
		Visitor Center Adult	Child	On-site	Off-site	On-site	Off-site	Hotel	Campers
Wayside Option 2	4,460	N/A	N/A	N/A	555	N/A	555	0	0
Visitor Center Option 3									
Visit traffic	2,550	3,825	1,913		0	956	0	0	0
Residents	7,978	17,951	2,992		0	2,992	0	0	0
School Kids	6,975	0	10,463		0	2,616	0	0	0
Historic	6,820	15,345	2,558		0	2,558	0	0	0
sub-TOTAL	24,323	37,121	17,925	N/A	0	9,121	0	0	0
Events	7,500	11,250	5,625	5,625	11,250	5,625	11,250	13,825	1,975
TOTAL	31,823	48,371	23,550	5,625	11,250	14,746	11,250	13,825	1,975
Reconstruct Option 4									
Visit traffic	5,100	7,650	3,825	3,825	0	3,825	0	0	0
Residents	9,565	14,347	7,174	7,174	0	7,174	0	0	0
School Kids	8,921	0	13,382	6,691	0	6,691	0	0	0
Historic	10,240	23,040	3,840	7,680	0	7,680	0	0	0
sub-TOTAL	33,826	45,037	28,220	25,369	0	25,369	0	0	0
Events	15,000	22,500	11,250	11,250	22,500	11,250	22,500	27,651	3,950
TOTAL	48,826	67,537	39,470	36,619	22,500	36,619	22,500	27,651	3,950

Notes:

Estimates of spending by visitors are generally based on how much time the visitor spends at the attraction and if applicable, while in town as well.

a. Admission to the visitor center is assumed to be \$3 for adults, and \$1.50 for children. Visitor traffic is assumed to be 50% adult and 50% child, all other groups are assumed to be 75% adult, and 25% child.

b. The estimate for on-site includes snack bar food service at the reconstructed fort, and special food service at events.

c. Retail on-site includes the visitor center gift shop; off-site includes any purchases made in Portage. The off-site figure includes general merchandise, miscellaneous retail, and service stations.

The visitor center in option 3 is assumed to charge \$3.00 for adults and \$1.50 for children. The ratio of children to adults by market segment is the same as that of the Canal visitor center. Option 3 does not have any food service on-site, but it is assumed that at special events there will be food of some type available for purchase. Retail spending on-site would be from the Fort center gift shop, and is directly related to how long the average patron stays at the center. There are no off-site expenditures estimated due in part to the rather short overall length of stay projected, 30 minutes, and because there are no "buying opportunities" within close proximity.

Option 4 shows on-site spending for food and beverage. It is assumed that food service on the order of a snack bar would be offered, perhaps out-of-doors, or in part of a reconstructed Fort building, or in the center itself. Both option 3 and 4 show the impacts of a program of events. This estimate is based on four large events, ideally timed to coincide and coordinate with events at the Canal center. The higher estimate for the events program reflects the Fort's ability to accommodate a more elaborate offering, with live action demonstrations and participatory activities.

Effects of New Spending

The economic impact of new spending in Portage will effect the economy in a multiplier effect. Although the visitor spending is quite localized, the multipliers are used to show impact on a larger area, at least one county in size. The accompanying table shows what effect new spending has on total output, earnings, and how many jobs would be created overall by this level of spending in the particular industry. The sources of spending are grouped together to accommodate the categories of industry multipliers supplied by the Regional Input-Output Modeling System, or RIMS II.

Table 4a Canal Option Direct Spending Impacts

Taxable Visitor Spending

Canal Option 2	State ^a		Local ^c	
	TOTAL	Sales Tax	County Tax ^b	Hotel Tax
Admissions	0	0	0	0
Food & Beverage	6,517	326	33	0
Retail	6,517	326	33	0
Lodging	0	0	0	0
Rentals	0	0	0	0
TOTAL	13,033	652	65	0

Economic Impacts

Multiplier Effect by Industry

Canal Option 2	Output ^d	Earnings ^e	Jobs ^f
Retail Trade	6,517	13,278	5,187
Lodging and Amusements	0	0	0
Food & Beverage	6,517	15,047	4,171
TOTAL	13,033	28,326	9,358

Canal Option 3	TOTAL	Sales Tax	County Tax	Hotel Tax
Admissions	102,975	5,149	515	
Food & Beverage	93,951	4,698	470	
Retail	83,537	4,177	418	
Lodging	25,281	1,264	126	664
Rentals	25,840	1,292	129	
TOTAL	331,583	16,579	1,658	664

Canal Option 3	Output	Earnings	Jobs
Retail Trade	83,537	170,215	66,495
Lodging and Amusements	154,096	297,729	93,922
Food & Beverage	93,951	216,932	60,128
TOTAL	331,583	684,876	220,545

Canal Option 4	TOTAL	Sales Tax	County Tax	Hotel Tax
Admissions	114,419	5,721	572	
Food & Beverage	100,764	5,038	504	
Retail	89,389	4,469	447	
Lodging	25,281	1,264	126	664
Rentals	33,005	1,650	165	
TOTAL	362,859	18,143	1,814	664

Canal Option 4	Output	Earnings	Jobs
Retail Trade	89,389	182,140	71,154
Lodging and Amusements	172,705	333,684	105,264
Food & Beverage	100,764	232,665	64,489
TOTAL	362,859	748,488	240,907

Notes:

This analysis shows impacts and spending for both visitation and events.

a. State sales tax is 5%.

b. County sales tax is 1/2%.

c. Local hotel room tax is 3%, and not collected for campsites.

d. Output shows the impact of spending on all industries for the extra dollars in the economy from visitor spending.

e. Earnings shows the additional wages in the economy as a result of the output produced by visitor spending.

f. Jobs shows the additional jobs created in all industries, by the impact of visitor spending.

Source: Economics Research Associates, Bureau of Economic Analysis, City of Portage.

Table 4b Fort Option Direct Spending Impacts

Taxable Visitor Spending				Economic Impacts			
Fort Option 2	TOTAL	State ^a		Local ^c	Multiplier effect by industry		
		Sales Tax	County Tax ^b	Hotel Tax			
Admissions	0	0	0	0	Fort Option 2	Output ^d	Earnings ^e
Food & Beverage	555	28	3	0	Retail Trade	555	1,131
Retail	555	28	3	0	Lodging and Amusements	0	0
Lodging	0	0	0	0	Food & Beverage	555	1,281
TOTAL	1,110	56	6	0	TOTAL	1,110	2,412
							797
							0

Fort Option 3	TOTAL	Sales Tax		Hotel Tax	Multiplier effect by industry		
		Sales Tax	County Tax	Hotel Tax			
Admissions	71,921	3,596	360		Fort Option 3	Output	Earnings
Food & Beverage	16,875	844	84		Retail Trade	25,996	52,969
Retail	25,996	1,300	130		Lodging and Amusements	87,721	169,486
Lodging	15,800	790	79	415	Food & Beverage	16,875	38,964
TOTAL	130,592	6,530	653	415	TOTAL	130,592	261,420
							84,959
							7,2914

Fort Option 4	TOTAL	Sales Tax		Hotel Tax	Multiplier effect by industry		
		Sales Tax	County Tax	Hotel Tax			
Admissions	114,419	5,721	572		Fort Option 4	Output	Earnings
Food & Beverage	100,764	5,038	504		Retail Trade	89,389	182,140
Retail	89,389	4,469	447		Lodging and Amusements	139,700	269,915
Lodging	25,281	1,264	126	664	Food & Beverage	100,764	232,665
TOTAL	329,854	16,493	1,649	664	TOTAL	329,854	684,719
							220,790
							18,7010

Notes:

This analysis shows impacts and spending for both visitation and events.

a. State sales tax is 5%.

b. County sales tax is 1/2%.

c. Local hotel room tax is 3%, and not collected for campsites.

d. Output shows the impact of spending on all industries for the extra dollars in the economy from visitor spending.

e. Earnings shows the additional wages in the economy as a result of the output produced by visitor spending.

f. Jobs shows the additional jobs created in all industries, by the impact of visitor spending.

Source: Economics Research Associates, Bureau of Economic Analysis, City of Portage.

DOWNTOWN IMPACTS (CANAL REVITALIZATION)

ERA also examined the potential economic impacts of a revitalized Canal project on downtown Portage. Although these impacts are difficult to quantify in the absence of a selected option, it is obvious that the benefit of an exciting Canal project to downtown could be significant.

By way of introduction to this component of the impact assessment, ERA made the following observations about downtown Portage:

- The business district and surrounding environment is very attractive, accessible, and well serviced.
- Downtown Portage has a balanced mix of functions including services (46 percent), retail (35 percent), and government (17 percent).
- The downtown is a major component of the local economy with approximately 735 jobs and approximately \$13 million of the City's assessed property value. Downtown is clearly a major generator of local taxes and employment.

As important, is the fact that downtown is very much a part of the City's image, and its long-term viability is linked to the local overall quality of life.

Assuming the selection of an aggressive Canal option (i.e., partial Canal, pathways, plaza, and interpretive center), the following general economic impacts would be produced:

1. The project would attract at least 40,000 people to the downtown area over the course of a year. These are all potential customers for downtown businesses.
2. The Canal plaza would create an opportunity area for events and activities that would be a catalyst for downtown's entertainment and tourism functions. Experience in larger Midwest cities is that lively downtown are more viable and more able to compete for new business.

3. The additional restaurant could fill a downtown niche and serve as a downtown draw. A restaurant would also have obvious employment, real estate, and sales tax implications.
4. The longer-term potential for downtown Canal related development could be significant for the local economy. This includes adaptive reuse of existing under utilized property as well as new development. These projects would generate short-term construction impacts and long-term real estate and sales tax benefits.

Thus, the Canal project could play a significant role in the overall downtown revitalization effort. As an activity and events area, it provides an additional reason for people to come downtown. It also is one more reason for businesses to locate, or stay downtown, since their employees will enjoy the area more.

The Midwest's traditional downtown areas are under increasing pressure to remain competitive in the light of overall economic conditions, general retail overbuilding, pressure from suburban discounters, and catalog sales. In many successful programs, the answer involves further diversification (i.e., entertainment, arts, dining, residential, etc.), or developing new concepts such as tourism and historic attractions.

Portage's suburban retail anchors, Wal-Mart and K-Mart, are successfully attracting new shoppers to the City, and an exciting Canal project will give them one more reason to add downtown to their visit. It would also provide Portage residents with an additional amenity for entertainment, socializing, and enjoying their downtown. The project could also be a component of the Chamber of Commerce's efforts to attract new business and employers to the City.

For the mid-term, ERA also believes the Canal-Plaza project could spur additional redevelopment. Several well-located, under utilized properties currently exist along the Canal in downtown Portage. An attractive and utilized plaza, with an adequate visitor center and restaurant, would stimulate redevelopment considerations along the Canal. Potential concepts could include outlet retail, antiques, entertainment, or additional new residential.

Obviously, the Canal-Plaza project option would have economic implications for downtown and the City of Portage. If the City pursues the project, ERA recommends the relationship between downtown benefits (e.g., number of visitors that will be attracted and resulting expenditures) be balanced with the share of program operating costs (i.e., marketing, event costs, maintenance, etc.) that downtown businesses are asked to share. Either the current Business Improvement District or Tax Increment Finance Project provide a format for potential operating costs of a Canal program.

For the Canal-Plaza project to have a significant impact on downtown Portage, it will need to be a full-scale effort with the Visitor Center, Restaurant, Plaza and events program done in a single phase and done right. ERA does not minimize the difficulties involved in this project for a city the size of Portage. Even if outside funding is committed for the necessary capital projects, the management, operating staffing, and costs will exceed existing staff availability (City and business community).

As evidenced in our impact assessment, ERA believes the project would be worth the effort from an economic perspective.

ECONOMIC IMPACT SUMMARY

The following summary is based on ERA's market assessment and options recommendations for the Portage Canal and Fort projects. The intent is to permit decision makers to assess ERA's economic impact estimates for alternative development options and to aid in determining possible policy decisions.

1. Canal Option One

Canal Option One is to continue the current program, a "no change" scenario. For this phase of our assessment we have assumed no capital, maintenance, or impacts are involved.

2. Canal Option Two (Fill and Seed)

Costs:	Fill and Seed Canal	\$ 2,879,000
	Interpretive Material	\$ 15,000
	Development Costs	<u>\$ 2,894,000</u>
	Operating Costs (Maintenance)	\$ 7,000

Impacts:

1.	Construction		\$ 2,894,000
	(a) Labor	(1,439,500)	
	(b) Material	(1,439,500)	
	(c) Display, etc.	(15,000)	
2.	Operation		\$ 7,000
	(a) Salary	-0-	
	(b) Costs	7,000	
	(c) Marketing	N/A	
3.	Visitors (Estimate 8,689)		\$ 13,034
	(a) Food Beverage	(6,517)	
	(b) Retail	(6,517)	
	(c) Lodging	-0-	
	(d) Canoe	-0-	
4.	Admissions	N/A	\$ 0
5.	Sales Tax		\$ 685
	(a) State	\$ 652	
	(b) County	\$ 33	
	(c) Local Hotel	0	
6.	Visitor Multiplier Impact		\$ 13,034

3. Canal Option Three (Partial Canal and Visitor Center)

Costs:	Canal Improvements	\$ 1,300,000
	Visitor Center	\$ 260,000
	Interpretive Material	<u>\$ 400,000</u>
	Development Costs	\$ 1,960,000
	Operating Costs Canal	\$ 7,200
	Operating Costs Visitor Center	<u>\$ 44,632</u>
	Operating Costs	\$ 51,832

Impacts:

1.	Construction*		\$
1,910,000			
	(a) Labor	(755,000)	
	(b) Material	(755,000)	
	(c) Display, etc.	(400,000)	
2.	Operation**		\$ 102,975
	(a) Salary	(16,632)	
	(b) Costs	(28,000)	
	(c) Canal	(7,200)	
	(c) Marketing	(51,143)	
3.	Visitors (Estimate 60,825)		\$ 228,608
	(a) Food Beverage	(93,950)	
	(b) Retail	(83,537)	
	(c) Lodging	(25,281)	
	(d) Canoe	(25,840)	
4.	Admissions		\$ 102,975
5.	Sales Tax		\$ 18,901
	(a) State	16,579	
	(b) County	1,658	
	(c) Local Hotel	664	
6.	Visitor Multiplier Impact		\$ 331,583

* Acquisition = \$50,000.

** 5 months full time, 5 months weekends, 2 months closed.

3. Canal Option Four (Full Canal and Locks)

Costs:	Canal Improvements	\$ 2,760,000
	Visitor Center	\$ 260,000
	Interpretive Material	<u>\$ 400,000</u>
	Development Costs	\$ 3,420,000
	Operating Costs Canal	\$ 5,700
	Operating Costs Visitor Center	<u>\$ 44,632</u>
	Operating Costs	\$ 50,332

Impacts:

1.	Construction*		\$
3,370,000			
	(a) Labor	(1,685,000)	
	(b) Material	(1,685,000)	
	(c) Display, etc.	(400,000)	
2.	Operation**		\$ 114,419
	(a) Salary	(16,632)	
	(b) Costs	(28,000)	
	(c) Canal	(5,700)	
	(c) Marketing	(64,087)	
3.	Visitors (Estimate 66,019)		\$ 248,439
	(a) Food Beverage	(100,764)	
	(b) Retail	(89,389)	
	(c) Lodging	(25,281)	
	(d) Canoe	(33,005)	
4.	Admissions		\$ 114,419
5.	Sales Tax		\$ 20,021
	(a) State	18,143	
	(b) County	1,814	
	(c) Local Hotel	664	
6.	Visitor Multiplier Impact		\$ 362,859

* Acquisition = \$50,000.

** 5 months full time, 5 months weekends, 2 months closed.

While admittedly more difficult than the Canal, ERA has prepared the following costs and impacts estimates for the Fort Winnebago options.

1. **Fort Option One**

Fort Option One is to continue the current program, a "no change" scenario. Based on our research, ERA concluded this option has essentially no costs or benefits.

2. **Fort Option Two (Wayside)**

Costs:	Open Air Pavilion	\$ 50,000
	Signage	<u>\$ 10,000</u>
	Development Costs	\$ 60,000
	Operating Costs (Maintenance)	Minimal

Impacts:

1.	Construction		\$ 60,000
	(a) Labor	(25,000)	
	(b) Material	(25,000)	
	(c) Display, etc.	(10,000)	
2.	Operation		Minimal
	(a) Salary	0	
	(b) Maintenance	Minimal	
	(c) Marketing	N/A	
3.	Visitors (Estimate 4,460)		\$ 1,110
	(a) Food Beverage	555	
	(b) Retail	555	
	(c) Lodging	0	
	(d) Canoe	(33,005)	
4.	Admissions	N/A	
5.	Sales Tax		\$ 62
	(a) State	56	
	(b) County	6	
	(c) Local Hotel	0	
6.	Multiplier		\$ 1,110

3. Fort Option Three (Visitor Center)

Costs:	Visitor Center	\$ 200,000
	Interpretive Material	\$ 200,000
	Additional Land	<u>Minimal</u>
	Development Costs	\$ 400,000
	Operating Costs	
	Visitor Center	\$ 50,721

Impacts:

1.	Construction		\$ 200,000
	(a) Labor		\$ 100,000
	(b) Material		\$ 100,000
2.	Operation		\$ 50,721
	(a) Salary	16,632	
	(b) Maintenance	14,000	
	(c) Marketing	20,089	
3.	Visitors (Estimate 31,823)		\$ 58,671
	(a) Food Beverage	16,875	
	(b) Retail	25,996	
	(c) Lodging	15,800	
	(d) Canoe	(33,005)	
4.	Admissions		\$ 50,721
5.	Sales Tax		\$ 7,598
	(a) State	6,530	
	(b) County	653	
	(c) Local Hotel	415	
6.	Multiplier		\$ 130,592

4. Fort Option Four (Reconstruction)

Costs:	Visitor Center	\$ 200,000
	Interpretive Material	\$ 200,000
	Land-Approximately	\$ 25,000
	Fort Reconstruction	say \$ <u>400,000</u>
	Development Costs	\$825,000

	Operating Costs	
	Visitor Center	\$ 50,721
	Fort	<u>\$ 85,543</u>
	Operating Costs	\$ 136,264

Impacts:

1.	Construction		\$400,000
	(a) Labor		\$ 200,000
	(b) Material		\$ 200,000
2.	Operation		\$ 136,264
	(a) Salary	58,264	
	(b) Maintenance	28,000	
	(c) Marketing	50,000	
3.	Visitors (Estimate 48,826)		\$ 149,839
	(a) Food Beverage	59,119	
	(b) Retail	59,119	
	(c) Lodging	31,601	
	(d) Canoe	(33,005)	
4.	Admissions		\$107,007
5.	Sales Tax		\$ 18,806
	(a) State	16,493	
	(b) County	1,649	
	(c) Local Hotel	664	
6.	Multiplier		\$ 329,854

FINANCIAL PACKAGING

ERA's field research indicated that the Steering Committee is familiar with the wide range of public funding sources that could be applied to the Canal and Fort programs as well as the limited dollars available in most instances. It was also fairly obvious that the City of Portage, as well as the downtown business community, would have a difficult time making major financial commitments to either project.

Several other considerations need to guide the local decision process in terms of project funding sources:

- As owner of the Canal, the State is the prime candidate to fund the revitalization program. This includes not only identifying available funding sources but also facilitating the probable necessity of combining several current Department of Natural Resources programs.
- A new program (ISTEA) through the Department of Transportation appears to have real potential for the Canal project. Initial contacts have been made and the program should be available about the time the Steering Committee makes a recommendation.
- Even with complete State cooperation, most of the funded programs are focused on land acquisition and facility construction. Because of the long-term implications, State programs generally avoid operating or maintenance costs.
- The Corps of Engineers is a key player in the process and has already acknowledged an obligation to fund mitigation efforts in Portage. Funding from the Corps is a political process that will need to be aggressively pursued once a preferred development option is selected.
- Funding programs and available dollars are always changing. The new Federal administration, State fiscal difficulties, and local priorities will continue to present new opportunities and constraints for City decision makers.

In the course of ERA's research of financing sources for possible projects or improvements associated with development of the Fort or Canal, it became increasingly apparent that among the many, many possible or potential sources of funding, only a few major sources will likely be the most **probable** sources of funding. They are discussed below, followed by a brief overview of other sources that ERA has deemed at this point, as less likely to be probable sources of funds.

Department of Natural Resources:

Generally speaking, the DNR has repeatedly stated that the highest priority of projects involve the acquisition of land to be used for public recreation. Of all their funding programs, there is one category of programs in particular that could be appropriately applied to development of the Canal or Fort. These funds are awarded to municipalities or non-profits, depending on the individual rules of each program. This group of programs are listed below with their recent annual budgeted amounts available for grants. More information on each program is provided in the Appendix.

Park Acquisition and Development Grants Programs:

- Acquisition and Development of Local Parks - \$2,250,000 * (a)
- Land and Water Conservation Fund - \$556,000 (a)
- Urban Green Space - \$750,000 *
- Ice Age Trail Maintenance - \$50,000 *
- Town and Country Road Aids - \$400,000
- Scenic Urban Waterways - \$50,000 (Portage not covered)

* Programs above marked with an asterisk are also part of DNR's Stewardship Funds. Collectively, Stewardship programs annually fund up to \$25 million in projects, and most of the programs are designed to fund STATE projects, as well as give grants to non-profit conservation organizations.

Motorized Recreation Grant Program that MAY apply to Canal:

Recreational Boating Facilities - \$3,800,000

Grants to be used in conjunction with developing outdoor recreation are a top priority. Grants programs do not specify a range of award amounts. We are told they range up to \$400,000, but most are under \$50,000. The grants are generally given on the basis of a 50 percent local match. Awards are judged and ranked by priorities and the criteria of each grant program.

Acquisition of land is the number one priority of the Park Development Programs. ERA's assessment is that funds would not cover capital improvements on the Canal, such as restoration of the locks, dredging, or building retaining walls. It appears as though park grants would cover the funding of an interpretive center, but would not extend to the operational costs.

The Ice Age trail maintenance program of grants could be applicable, as it does run through Portage along the Canal. Much of the funding through this program goes to the Ice Age Foundation, a non-profit organization that oversees many aspects of the Trail, however, local municipalities or other non-profits are also eligible for grants.

DNR reports that foundations are becoming more popular as the recipients of grants. In fact, they have altered the guidelines and rules of several programs to allow non-profit organizations to apply and qualify to receive grants. Nevertheless, there are still some programs that do not include non-profits or foundations as eligible recipients, and there are typically "lots of strings" attached, regarding the necessity of having certain by laws as part of the foundations, such as having an objective of land management. The DNR would want to help out a potential recipient with all the attendant legalities, as this is a very new concept for most foundations, and they admittedly have not seen too many success stories.

The local field office representative of DNR's Bureau of Community Assistance would work in an ongoing fashion with Portage seeking funding, be it City or foundation or other organization, and work on a mix and match for funding applications for specific tasks and aspects of a development plan.

The Bureau is currently working on two new funding programs within the Park Acquisition and Development Grants Program. The necessary administrative rules and legislation are still being developed and their potential applicability to Portage and the details are as yet unknown.

Department of Transportation

Although guidelines and the actual application process are still forthcoming, preliminary conversations with DOT regarding the likelihood of funding from the ISTEA enhancements program have revealed that they do believe that the Canal and Fort are covered under the conceptual focus of what these funds are to be used for. In the absence of exact information regarding the applicability of funds for specific tasks, ERA has relied to some extent on the guidelines for enhancement funding that have been developed at the Federal level and in other states. Since each state does have considerable discretion as to the specific allocation and application of the funds, this is "informed conjecture". The Canal interpretive center, with a potential focus on transportation history and its role in the foundations of the State of Wisconsin, would be a likely candidate for funding under the ISTEA program.

Current DOT thinking on the use of enhancement funds are that approximately \$2.5 million will go to state programs, and another \$8.5 million will be discretionary funds for various programs. Individual projects to be funded are likely to be in the range of \$50,000 to \$1,000,000, with a local match of perhaps 20%. They have stated that a key goal of any project would be that it be usable to the public.

The ISTEA enhancements funding specifically targets historic preservation of transportation linkages. This source of funding would be most appropriate for a major capital-intensive portion of the development. This can be leveraged by entrepreneurial investment in proximity to capital improvements associated with a new project. By taking care of capital improvements that small new business could not support, new commercial development nearby or relating to the project, will have an anchor, both physical and figurative, off which to build their future attractions.

Community Development Block Grant

The CDBG program involves the distribution of Federal Department of Housing and Urban Development Community Development funds to cities under 50,000 population. Portage is familiar with this program and is an active participant. Although grants are generally small and targeted to economic development concepts, portions of the Canal process could apply.

Corps of Engineers

As stated earlier, the Corps of Engineers have agreed to commit an amount towards mitigation of the flood control project. Standard mitigation typically can go up to 1 percent of the total project cost. The COE, in the course of negotiation with the City and the Ad Hoc Committee on Flood Control and the Canal, have mentioned \$12,000 or \$25,000, far less than what would be 1 percent of the project total. Additionally, the committee has tried to introduce and amendment to the authorization, requiring the COE to include capital improvements to the Canal, such as a narrow gated structure at the mouth of the Canal. The fact that the COE has committed to the idea of mitigation, and put a dollar amount on that idea (even if it is low at this point), means that a precedent has been set, and therefore, there is an opportunity for further negotiation for more extensive mitigation measures.

The options chosen for development at the Canal will likely dictate the direction of effort that major negotiation efforts with the COE should focus on. If it is Canal option 4, efforts should focus on getting the COE to pay for the box culvert or narrow gated structure as part of the flood control project. If another option is pursued, negotiation with the COE should focus on other efforts, such as funding for interpretive materials.

This funding is most appropriately targeted to one-time capital improvements to the Canal itself, with a special emphasis on obtaining an easily maintainable flow and level of water in the Canal. This effort should also provide for an incentive or initiative for private land holders along the Canal to maintain and improve adjacent areas.

The COE has stated to ERA that regarding mitigation measures, they cannot act on the results of a study per se, rather they would act on an action taken by the City. In other words, they cannot justify expenditures on the possibility of a future project or plan, but they would act on actual deeds and actions that the City, or another body would take towards realizing a development plan.

STATE HISTORIC SOCIETY

Subgrants

The City of Portage has already shown they have familiarity with the process of applying for and securing grants from the SHS. The latest historic survey was funded by a SHS subgrant. Each year the SHS has awarded, on average, approximately \$120,000 in subgrant funding. These are awarded on a 50/50 local share basis, and likely tasks that would be eligible for funding include archeology, preservation planning and education activities. Use of these funds must follow Federal regulations and requirements, which include National Register Program Guidelines.

Funding through the historic sites division appears unlikely from the State Historic Society. They have adopted a policy regarding State historic sites that they will not take on additional sites until all funding issues regarding existing sites are resolved. Reportedly the State legislative audit bureau has recently completed a report on State Historic Society funding issues, and generally funding levels have not increased, while operating costs have. Consequently they have had to raise fees at many of the sites, but that does not make up the growing differences. As well, most of the state-owned sites do have some kind of corporate funding. The Society has identified certain voids in their existing sites and those would be of the highest priority for their funding or development efforts. The two themes identified are "Urban History" and "Native American History".

OTHER FUNDING SOURCES

Below is an overview of other possible funding sources that are not beyond the realm of consideration, but may not be a high priority for program developers to pursue from the beginning. All potential sources should be investigated and pursued to some degree. If the program is ongoing, the development of more ongoing and diverse funding sources is highly recommended. There is also a strong argument for being creative.

National Park Service

In the event that any Federal funds are used for projects at either the Canal or the Fort, the NPS will necessarily be involved in the process, through their preservation division, interagency resources division, or the National Trust for Historic Preservation.

At some point in the future there may be funding available through the proposed National Heritage Corridor designation. This would not include funds for acquisition of lands, and may in fact be limited to technical assistance, and promotion as part of the larger program for the corridor. In all likelihood, the corridor approval process faces a long battle, and this funding source should not be relied on for Portage.

The key players behind this initiative are the East Central Wisconsin Regional Planning, the National Park Service (and National Trust) and the State Tourism Division of the Department of Community Development. It is not likely that the connection to these players will directly yield significant amounts of capital funding for the acquisition of land or the construction of key attractions. However, it could provide key assistance with planning local elements of the corridor attraction, implementation strategies or official mechanisms through the proposed management commission or council, national and state-wide promotion and recognition, all of which in turn, can help to secure other financial commitments, from both the public and private sectors.

Historic Preservation Incentives - The Internal Revenue Code allows for various tax credits that are designed to be incentives for the preservation and rehabilitation of historic structures. The National Park Service, through the National Trust for Historic Preservation, administers the designation and certification of historic districts, structures, and qualifying rehabilitations. The application processes are complicated and the process can be time consuming. Therefore, in order for this incentive to be used to full effect in the community, a coordinated effort must be mounted. Technical assistance is available from the State Historic Society as well as field officers of the National Trust for Historic Preservation.

The National Trust does have a program that serves to coordinate and centralize these kinds of efforts within a town, known as the Main Street Program. However, it is not absolutely necessary to become one of their official Main Street Towns in order to reap the many benefits of this kind of effort. Much of the same kinds of technical assistance and advice is already available from various State and Federal agencies. Perhaps the City, a special committee of the Chamber of Commerce, or even the local or county Historic Societies can be the organizational leader of this effort.

In addition to tax credits, special low interest loan funds can be set up to encourage participation. This type of financial incentive is appropriately targeted toward private individual business and building owners within the downtown commercial district. This alone has been very effective in the revitalization of small downtowns. In Portage's case, it could build on the strengths of an already viable downtown, and work hand in hand with the efforts to cultivate the other historic assets in the area.

City of Portage/Columbia County

At some point it is reasonable to assume that the City will be involved with financing in some capacity or other, if any development is to occur locally. This involvement may entail the creation of a development coordination staff position, or it may entail actual funding, the forgoing of taxes, police services, etc.

The City at this point has expressed doubt and inability to commit funds. They will necessarily have to be involved in some way, including being the sponsor of funding requests to State or Federal funding sources. Any effort of this magnitude has to have the commitment of the city behind it. That commitment may not come in the form of cash only, but it has to be there, and it can't be questioned. Ultimately the path of development will not only be dictated or contingent on securing outside funding for capital project, it will also be guided on what the City feels it can adequately maintain now and into the future. In addition to local public sector assistance, the downtown private sector could also participate in financing the Canal revitalization or ongoing maintenance program. The sponsorship of Canal events or agreement to fund part of the maintenance through the Business Improvement District (BID) are possible examples.

TIF District

Downtown Portage is currently in an approved Tax Increment Finance District (TIF) that was approved in 1981 and runs through 1996. Wisconsin Tax Increment law permits the City to establish a base tax year (1981) and then to issue bonds to finance improvement projects that contribute to new development and consequently new taxes. The new taxes (i.e., over and above the base year) can be used to pay off the improvement bonds.

County Historic Society/Canal Society

In other counties in the State, where historic reconstructions have been successful, the local historic society has at times coordinated the effort. Fund raising by a variety of methods, recruiting membership and donations, and pursuing corporate gifts and grants have all contributed to the financial solvency of projects like those proposed in Portage. The local historic society could contribute significantly by organizing a volunteer labor force for various stages, including excavation, construction, renovation and operation, and to act as guides or historic re-enactors.

Foundations, Memberships and Corporate Gifts

A fine example of the role these sources of funding can play is located at the Circus World Museum in Baraboo. At the main visitor center, major permanent exhibits bear the names of such corporate giants as Kellogs. The foundations of major corporations are actively involved in giving to preservation, educational and cultural institutions or non-profit agencies. The hard economic times have had a negative impact on the overall dollar amounts that are available for corporate giving. However, foundations are also trying to make their giving efforts more locally based, relating to either specific content or marketing goals, or focusing geographically on their home towns or states, or communities where many employees live. Many are targeting smaller communities or projects where their gifts will have a greater impact. This type of funding would be appropriately targeted for the development of interpretive materials or exhibits within a public or community oriented area.

Waterways Commission

Their programs and funding priorities are for facilities relating to motorized boat traffic. DNR has stated to ERA they believe that this funding would not be applicable for the Canal.

Conclusions

The City council and citizenry of Portage has continually voiced a concern over the expenditure of public funds for maintenance of the Canal, the Fort area and tourism development. They are rightfully concerned that the City does not commit funds it cannot allocate, assume responsibilities it cannot fulfill, or commit to a development plan that it cannot fund or afford to sustain in the future.

As the market analysis has shown, the more developed and extensive the attraction, the greater its ability to draw people. However, it appears in this instance that the funding and not the market dictate the final project.

In order to apply to these various funding sources, the City must have a specific project to fund, hence it is of key importance to decide which option to pursue, and then secure the funding for it. If development is contingent on funding, the development strategy must take into account this factor, and be structured so that one set back does not kill the potential for all the other elements of the development. An incremental approach that will allow a maximum amount of flexibility to deal with slow, or incremental funding is recommended.

There are various sources of public and private funds, and the twain do meet in several potential ways. In addition to major capital projects, there are many small scale project that together will comprise a Heritage Tourism destination. A key element of bringing together and focusing various efforts in the development of Heritage Tourism will be the use of public programs to maximize the impact of private investment.

Next Steps

A strategy for pursuing financing should follow the formulation of a plan of development. When a preferred course of development options has be decided upon, the parts of the project that are of highest priority should find funding first. As well, it is strategic to seek funding for the big ticket items first, as either their planning, funding, or construction will take the longest, and, in the time that it takes to secure and plan for the larger elements, the process for the smaller elements can be pursued in the lag-time. Also, a local support structure should be formulated, either in the form of a legally empowered development authority, or a foundation.

STRATEGIC DEVELOPMENT PLAN

The Steering Committee and ERA have fully examined the history, issues, and political considerations involved in the potential Canal and Fort programs. In defining the primary options for each project, numerous related physical, market, and impact considerations were reviewed. The complexity of the projects is such that every aspect considered leads to additional concerns and new questions. As a result, the revitalization of the Portage Canal or of Fort Winnebago will need to be approached as a process. The process for either project will be conducted over a period of time through a series of successful projects. For this important process to begin, the City of Portage needs to make a decision regarding its long-term project objectives and its near-term priority actions. Recognizing there will be potential ongoing historic, archaeological, environmental, legal, and engineering nuances, the recommendations of the initial Canal and Fort programs are based primarily on the following basic considerations:

Portage Canal Issues

- Flood Control - The City of Portage and Corps of Engineers are committed to eliminating the Wisconsin River flood threat through the construction of a new levee. How this levee treats the existing Portage Canal is an issue at this point. Suggestions have ranged from a small box culvert to permit limited water flow to a full set of locks to permit the passage of boat traffic. The Corps recognizes the need for some type of mitigation concerning the Canal project. A do nothing strategy regarding the Canal would not inhibit the Corps flood control program. However, a proactive Canal strategy at this time has the opportunity of obtaining financial support through the Corps mitigation program.
- Ownership - The Department of Natural Resource (DNR) owns the Canal and has clearly under utilized this historic and potential recreational amenity to date. Ownership has compelled the State of Wisconsin to become an active participant in the Canal planning process and should reinforce the State's commitment to the City's selected strategy. It is essential to recognize that State interests (i.e., ownership, policy, funding sources, etc.) are represented in different agencies. The Portage Canal is a unique situation for the State, and their response will have to be innovative if workable solutions are to be found.

- City - Local decision makers have stressed that public resources for the Canal program are extremely limited. The constraint of limited municipal funding for development activities or subsequent maintenance as well as program staffing has been recognized and accepted in the design of strategy options. However, the City of Portage has an important function in that it is the only entity that can negotiate with the Corps, apply for grants programs, or be a catalyst for State actions. The process will not work without a buy in by City policy makers.
- Downtown - The relationship between a successful Canal revitalization program and the downtown business community has been identified but not negotiated. The existing Business Improvement District, Tax Increment Finance Project, or some variation may be necessary to assist in the maintenance of a successful Canal project.
- Impacts - Detailed impact assessments have been prepared, which while documenting the potential economic benefits of the program, indicate the importance of Federal and State development grant resources. For the recommended Canal option to succeed, significant outside project funding is mandatory.

These primary issues have guided the Steering Committee and ERA in the Canal strategy program. The process has also recognized the fact that the Canal program has not been a high priority in Portage and has over the years received very limited attention. While there has always been recognition of the Canal's historic significance, it is only recently that its potential as a Downtown attraction or redevelopment catalyst has begun to be appreciated. This emerging interest in the Canal is currently balanced by legitimate municipal concerns about becoming over committed or obligated. The mesh of current issues with local concerns and objectives has led to the following recommendations.

Portage Canal Recommendations

1. The current flood control project by the Corps of Engineers raises the issue of the future of the Portage Canal, and the Steering Committee believes that City leadership should aggressively pursue the opportunity to turn the Canal into a City amenity. The Corps program forces the need to assure a long-term engineering solution for the Canal as well

as raises the one-time opportunity for Federal financial participation. If the Flood Control Program proceeds in the absence of a local strategy, the City's Canal options could be seriously diminished.

2. The City should select as its initial objective the option that retains water in the Canal, develops the Interpretive Center walkways, and the Canal Plaza. (This option is described as Option Three on page 36.)
3. The estimated \$2 million project option will require the cooperation and commitment of the Corps of Engineers, the Canal owners (i.e., Department of Natural Resources), and a range of possible State funding agencies. Since the program rests on the availability of outside grant funds, the City should seek the appropriate assistance in facilitating Corps and State cooperation for the project. In both the Federal and State government areas, initial coordination should be instigated by Portage's elected representatives. This is especially essential at the State level, since it would be difficult, if not impossible, for the City to sort out which numerous State funding programs and in what combination are available or suitable for the Canal program.
4. Once outside funding is reasonably assured, City officials and downtown decision makers can decide on an adequate level of operating resources and the appropriate management vehicle. ERA's initial operating cost estimate is approximately \$100,000 per year, which could possibly be covered by admission charges to the Visitor and Interpretive Center. To be successful, the program will need the recommended plaza events and activities, which while they will generate significant economic impacts, will require additional funding. The existing Business Improvement District, Chamber of Commerce, and this program's Steering Committee should provide the nucleus for this effort. Several related suggestions are included in the recommended action program that follows.
5. With an adequate level of outside funding and assurance of necessary local commitment, the implementation process can begin, and the myriad of second stage issues can begin to be addressed.

4. Determine initial State response to the recommended development strategy for the Canal. Discuss how State programs could be combined as well as opportunities for innovative approaches. Identify State program opportunities and constraints. In the event the locally selected option does not receive State support, evaluate the alternatives recommended by the State in terms of local objectives. Negotiate accordingly.
5. Review State response with State Representatives and local decision makers. Review options and alternatives, and decide on most appropriate State strategy. Continue negotiations with the State until a mutually agreeable and fundable strategy is decided.
6. Work through the legislative process to clarify the Corps of Engineers' commitment to mitigation funding. This is the obvious potential source of financing for Canal improvements.
7. With outside development funds assured, the Steering Committee will be able to devote attention to how the project and related program should be managed. The initial recommendation is to form two ongoing task forces:
 - Facility - Comprised of Downtown and Chamber leadership to guide the Interpretive Center/restaurant project through its funding, design, and implementation stages.
 - Program - Comprised of Downtown, Chamber, and fraternal organization leadership to develop and implement the events and activities on the Canal plaza. To the extent that programs are designed to attract tourists, Business Improvement District cooperation should be explored. Activities designed for Portage residents should coordinate with recreation program staff.
8. Continue to monitor the related programs of the East Central Wisconsin Regional Planning Commission pertaining to the proposed National Heritage Corridor designation.

FORT WINNEBAGO

Fort Winnebago Issues

- Timing - Unlike the Canal, there is no pressing need for action regarding the Fort Winnebago site. The property is on the National Register of Historic places, and no near-term projects (i.e., local, State or Federal) that would impact the site were identified. The possible exception could be the Fox Wisconsin Heritage Program, which is currently being prepared.
- Market - A small but growing historic visitation market is emerging in the Midwest. Our proximity to the Wisconsin Dells tourist center is a recognized advantage. The constraints include the limited physical evidence of Fort Winnebago as well as its relatively minor national historic significance.
- Ownership - The Fort site is privately owned and currently farmed. Because of the property's modest current use, it is assumed it would not be too difficult to acquire additional land if the City pursues a more aggressive program.
- Historic Program - The related Indian Agency House and Surgeons House form an existing basis for an expanded Fort Winnebago concept. Although both of these projects currently have a modest tourism marketing program and visitor draw, they offer attractive historic potential.
- Impact - Anything short of a relatively extensive Fort redevelopment effort will not produce significant economic impacts. The experience of Midwest fort sites, even well located ones, is that they are very modest visitor draws. To attract visitors and keep them long enough to create an impact requires more than a State historic site.
- Funding - The planning process did not identify a reliable and adequate funding source for a major Fort reconstruction effort.



ILLUSTRATION OF POSSIBLE CANAL PLAZA

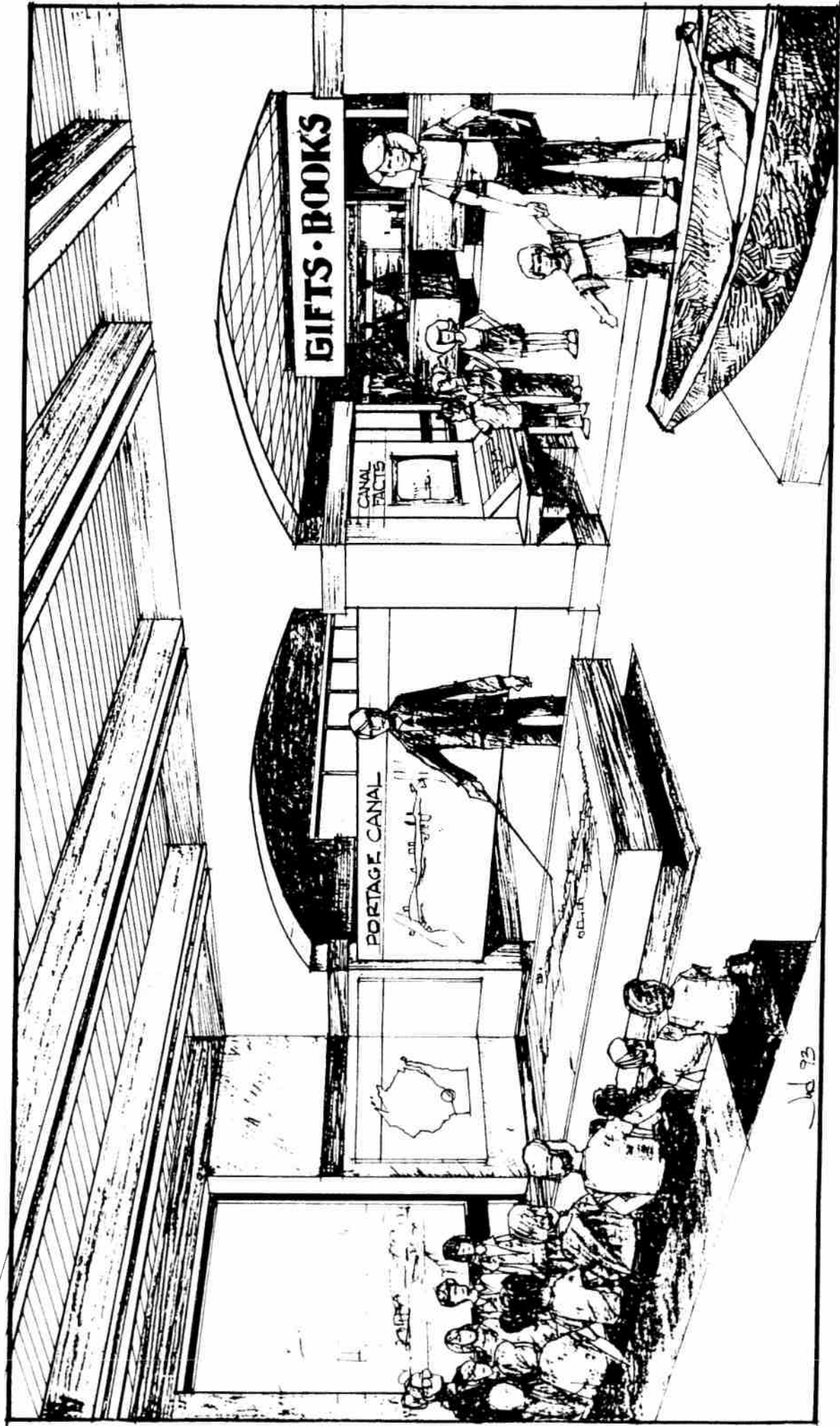


ILLUSTRATION OF POSSIBLE CANAL VISITOR CENTER INTERIOR

ERA's and the Steering Committee's general conclusions regarding the Fort Winnebago redevelopment concept are as follows.

Fort Winnebago Recommendations

1. The City should select as its initial Fort option the concept of preserving the long-term potential of the Fort Winnebago site. This could include initial efforts to find funding to acquire the property, and to develop an open air visitor pavilion at the site. This approach assures historic preservation advocates that the site will remain available and the pavilion would contribute to increased local awareness.
2. Continue to monitor and participate in the proposed Fox-Wisconsin Heritage Corridor program. If this program is approved and obtains funding support, it could be the priority funding mechanism for Fort Winnebago.
3. Continue to monitor potential funding sources for an opportunity to submit a grant request for one of the Fort Winnebago options. As indicated, the strategy process did not reveal a readily available funding source for this project.
4. Explore with the Daughters of the American Revolution (Surgeons Quarters and Garrison School), and Colonial Dames (Indian Agency House) the concept of an expanded Fort exhibit as well as coordinated marketing program.
5. With any success in identifying an outside funding source, pursue either Option Two (open air pavilion type wayside exhibit - \$60,000), or even possibly Option Three (visitor center with exhibits and interpretive materials - \$400,000).

Recommendation: *ERA and the Steering Committee recommend the Fort Winnebago opportunity be recognized and efforts continue to find a viable funding source for either of the expanded options. A priority should be the acquisition of the site to assure its long-term availability for future historic funding programs. The initial focus should be on the potential Fox Wisconsin Heritage Program. To the extent possible, the program should be coordinated with the Daughters of the American Revolution and Colonial Dames, although Fort Winnebago could emerge as a separate project.*

Like the Canal, the Fort redevelopment process will be difficult and certainly even more directly related to outside funding. The following steps are recommended to implement the Fort Winnebago project:

1. Review and accept the report and the Steering Committee recommendations. Designate the Steering Committee to conduct the following implementation actions.
2. Convene a workshop of historic interests and advocates in the Portage area as well as State historic interest groups. Review this program, its conclusions, and recommendations.
3. Consider a request for State Department of Natural Resources or possibly a one-time fund raising effort from local historic interests to acquire the site of Fort Winnebago as well as some of the immediately adjacent property - say five to ten acres. A short-term use could be as a park site with potential archeological activity. If maintenance funds are not available, the near-term use of the acquired site could be agricultural.
4. Work with the Fox-Wisconsin Heritage project and support efforts to get its approval.
5. Continue to seek out funding sources for historic preservation projects.

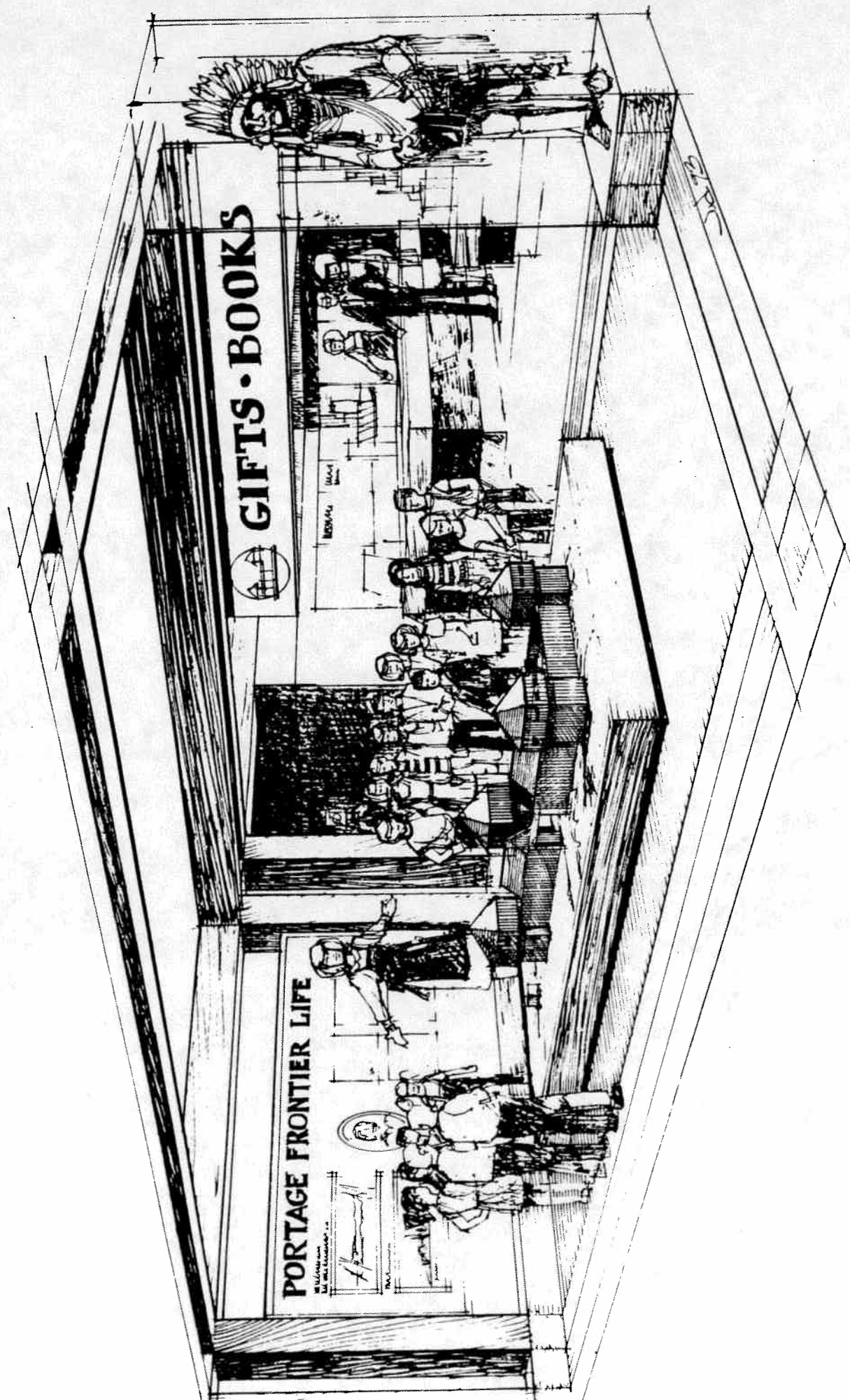


ILLUSTRATION OF POSSIBLE FORT VISITOR CENTER INTERIOR

APPENDIX

A-1 DETAILED COST BREAKDOWNS

PORTAGE CANAL OPTION 2:

FILL AND SEED:

A. Section 1 (Old Locks to Adams St: 2000')

1 Sand fill	34,000 cy @ \$4.50 /cy	= \$	153,000
2 Storm Sewer	2,000 ft. @ \$100 /ft	= \$	200,000
3 Topsoil & Seeding	(2,000 cy & 3 Ac)	= \$	30,000
4 Pathway	2,000 ft	= \$	10,000
5 Landscaping		= \$	<u>5,000</u>

Sub-Total = \$ 398,000

Non-construction Costs (a) - 20% = \$ 80,000

Total Section 1 = \$ 478,000

B. Section 2 (Adams St. to Railroad: 3500')

1 Sand fill	64,000 cy @ \$4.50/cy	= \$	288,000
2 Storm Sewer	3,500 ft. @ 100./ft	= \$	350,000
3 Topsoil & Seeding	(3,000 cy & 5.3 Ac)	= \$	46,000
4 Pathway	3,500 ft	= \$	18,000
5 Landscaping		= \$	<u>8,000</u>

Sub-Total = \$ 710,000

Non-construction Costs (a) - 20% = \$ 142,000

Total Section 2 = \$ 852,000

PORTAGE CANAL OPTION 2 (Cont.):

FILL AND SEED:

C. Section 3 (Railroad to STH 33: 1700')

1 Sand fill	36,000 cy @ \$4.50 /cy	= \$	162,000
2 Storm Sewer	1,700 ft. @ \$100 /ft	= \$	170,000
3 Topsoil & Seeding	(1,500 cy & 2.6 Ac)	= \$	23,000
4 Pathway	1,700 ft	= \$	8,000
5 Landscaping		= \$	<u>4,000</u>

Sub-Total = \$ 367,000

Non-construction Costs (a) - 20% = 73,000

Total Section 3 = \$ 440,000

D. Section 4 (STH 33 to Fox river: 4200')

1 Sand fill	90,000 cy @ \$4.50/cy	= \$	405,000
2 Storm Sewer	4,200 ft. @ 100./ft	= \$	420,000
3 Topsoil & Seeding	(3,700 cy & 12 Ac)	= \$	56,000
4 Pathway	4,200 ft	= \$	21,000
5 Landscaping		= \$	<u>10,000</u>

Sub-Total = \$ 912,000

Non-construction Costs (a) - 20% = \$ 182,000

Total Section 4 = \$ 1,094,000

TOTAL OPTION 2 (Fill and Seed) = \$ 2,864,000

PORTAGE CANAL OPTION 3:

NARROWED CANAL + PATHWAY

A. Section 1 (Old Locks to Adams St: 2000')

1 Pathway	2,000 ft	= \$	10,000
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2 Landscaping		= \$	<u>3,000</u>
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Sub-Total	= \$	13,000
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Non-construction Costs (a) - 20%	= \$	3,000
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Total Section 1	= \$	<u>16,000</u>
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If existing Hwy 51/16 culverts are replaced with a box culvert or bridge having sufficient clearance height for boat traffic, add:	\$	375,000
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B. Section 2 (Adams St. to Railroad: 3500')

1 Retaining Wall	3,500 lin. ft.	= \$	175,000
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2 Sand fill	23,200 cy @ \$4.50 /cy	= \$	104,000
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3 Topsoil & Seeding	(1800 cy & 2.4 Ac)	= \$	20,000
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4 Pathway	3,500 ft	= \$	18,000
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5 Landscaping		= \$	<u>4,000</u>
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Sub-Total	= \$	321,000
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Non-construction Costs (a) - 20%	= \$	64,000
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Total Section 2	= \$	<u>385,000</u>
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If existing Adams St. culverts are replaced with a box culvert or bridge having sufficient clearance height for boat traffic, add:	\$	110,000
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PORTAGE CANAL OPTION 3 (cont.):

NARROWED CANAL & PATHWAY:

C. Section 3 (Railroad to STH 33: 1700')

1 Retaining Wall	1,700 lin. ft.	= \$	85,000
2 Sand fill	11,200 cy @ \$4.50 /cy	= \$	50,000
3 Topsoil & Seeding	(800 cy & 1.2 Ac)	= \$	10,000
4 Pathway	1,700 ft	= \$	8,000
5 Landscaping		= \$	2,000
Sub-Total		= \$	155,000

Non-construction Costs (a) - 20% = \$ 31,000

Total Section 3 = \$ 186,000

D. Section 4 (STH 33 to Fox River: 4200')

1 Retaining Wall	4,200 lin. ft.	= \$	210,000
2 Sand fill	28,000 cy @ \$4.50 /cy	= \$	126,000
3 Topsoil & Seeding	(2,200 cy & 2.9 Ac)	= \$	24,000
4 Pathway	4,200 ft	= \$	21,000
5 Landscaping		= \$	5,000
6 Watertight Dike/Wier at Fox River		= \$	50,000
Sub-Total		= \$	436,000

Non-construction Costs (a) - 20% = \$ 87,000

Total Section 4 = \$ 523,000

SUBTOTAL (Section 1 through 4) = \$ 1,110,000

SUBTOTAL (Section 1 through 4 incl. larger culverts) = \$ 1,595,000

E. Water Supply to Canal

1 Concrete lined Channel	3000 sy @ \$50 /sy	= \$	150,000
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TOTAL OPTION 3 (Narrowed Canal + Walkway)= \$ 1,745,000

PORTAGE CANAL OPTION 4:

FULL WIDTH CANAL + WORKING LOCKS

A. Section 1 (Old Locks to Adams St: 2000')

1 Pathway	2,000 ft	= \$	10,000
2 Landscaping		= \$	3,000
3 Working Locks		= \$	<u>300,000</u>

Sub-Total = \$ 313,000

Non-construction Costs (a) - 20% = \$ 63,000

Total Section 1 = \$ 376,000

If existing Hwy 51/16 culverts are replaced with a box culvert or bridge having sufficient clearance height for boat traffic, add: \$ 375,000

B. Section 2 (Adams St. to Railroad: 3500')

1 Retaining Wall	3,500 lin. ft.	= \$	175,000
2 Sand fill	5200 cy @ \$4.50 /cy	= \$	23,000
3 Topsoil & Seeding	(400 cy & .48 Ac)	= \$	4,000
4 Pathway	3,500 ft	= \$	18,000
5 Dredge Canal		= \$	40,000
6 Landscaping		= \$	<u>3,000</u>

Sub-Total = \$ 263,000

Non-construction Costs (a) - 20% = \$ 53,000

Total Section 2 = \$ 316,000

If existing Adams St. culverts are replaced with a box culvert or bridge having sufficient clearance height for boat traffic, add: \$ 110,000

PORTAGE CANAL OPTION 3 (cont.):

FULL WIDTH CANAL + WORKING LOCKS

C. Section 3 (Railroad to STH 33: 1700')

1 Retaining Wall	1,700 lin. ft.	= \$	85,000
2 Sand fill	2,500 cy @ \$4.50 /cy	= \$	11,000
3 Topsoil & Seeding	(200 cy & 0.23 Ac)	= \$	2,000
4 Pathway	1,700 ft	= \$	8,000
5 Landscaping		= \$	2,000
Sub-Total		= \$	108,000

Non-construction Costs (a) - 20% = \$ 22,000

Total Section 3 = \$ 130,000

D. Section 4 (STH 33 to Fox River: 4200')

1 Retaining Wall	4,200 lin. ft.	= \$	210,000
2 Sand fill	6,200 cy @ \$4.50 /cy	= \$	28,000
3 Topsoil & Seeding	(500 cy & 0.58 Ac)	= \$	5,000
4 Pathway	4,200 ft	= \$	21,000
5 Landscaping		= \$	5,000
6 Rebuild Fox River Locks		= \$	800,000
Sub-Total		= \$	1,069,000

Non-construction Costs (a) - 20% = \$ 214,000

Total Section 4 = \$ 1,283,000

SUBTOTAL (Section 1 through 4) = \$ 2,105,000

SUBTOTAL (Section 1 through 4 incl. larger culverts) = \$ 2,590,000

E. Water Supply to Canal

1 Concrete lined Channel	3000 sy @ \$50 /sy	= \$	150,000
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TOTAL OPTION 4 (Full width Canal + Working Locks) = \$ 2,740,000

NOTES:

- a. Non-Construction costs include: Engineering, legal, administration, etc.
- b. All figures are rounded to the nearest thousand dollars.
- c. Estimates are provided based on 1992 costs.

SOURCE: General Engineering Company, Inc.

ANNUAL MAINTENANCE COST ESTIMATES**Portage Canal Option 2 (Fill and Seed)**

Maintenance costs include grass cutting and snow plowing

A. Section 1 (Old Locks to Adams St: 2000')	= \$	900
B. Section 2 (Adams St. to Railroad: 3500')	= \$	1600
C. Section 3 (Railroad to STH 33: 1700')	= \$	800
D. Section 4 (STH 33 to Fox River: 4200')	= \$	3600

TOTAL ANNUAL MAINTENANCE COST - OPTION 2 = \$ 7000
YEAR

Portage Canal Option 3 (Narrowed Canal + Pathway)

Maintenance costs include grass cutting, snow plowing and water supply channel cleaning.

A. Section 1 (Old Locks to Adams St: 2000')	= \$	200
B. Section 2 (Adams St. to Railroad: 3500')	= \$	700
C. Section 3 (Railroad to STH 33: 1700')	= \$	400
D. Section 4 (STH 33 to Fox River: 4200')	= \$	900
E. Water Supply Channel	= \$	5000

TOTAL ANNUAL MAINTENANCE COST - OPTION 3 = \$ 7200
YEAR

Portage Canal Option 4 (Full Width Canal and Working Locks)

Maintenance costs include grass cutting, snow plowing and water supply channel cleaning.

A. Section 1 (Old Locks to Adams St: 2000')	= \$	200
B. Section 2 (Adams St. to Railroad: 3500')	= \$	200
C. Section 3 (Railroad to STH 33: 1700')	= \$	100
D. Section 4 (STH 33 to Fox River: 4200')	= \$	200
E. <u>Water Supply Channel</u>	= \$	<u>5000</u>

**TOTAL ANNUAL MAINTENANCE COST - OPTION 4 = \$ 5700
YEAR**

A-2 TRAFFIC COUNTS

Table A-1 Traffic Counts at I-90/94 Dekorra (both directions)

Month	ADT TOTAL	ADT Base	ADT Visitors	Days Month	Monthly Visitor Traffic
Jan	25,493	25,000	493	31	15,283
Feb	31,106	25,000	6,106	28	170,968
Mar	30,077	25,000	5,077	31	157,387
Apr	32,731	25,000	7,731	30	231,930
May	37,920	25,000	12,920	31	400,520
Jun	42,252	25,000	17,252	30	517,560
Jul	50,907	25,000	25,907	31	803,117
Aug	49,667	25,000	24,667	31	764,677
Sep	39,649	25,000	14,649	30	439,470
Oct	38,654	25,000	13,654	31	423,274
Nov	35,948	25,000	10,948	30	328,440
Dec	28,657	25,000	3,657	31	113,367

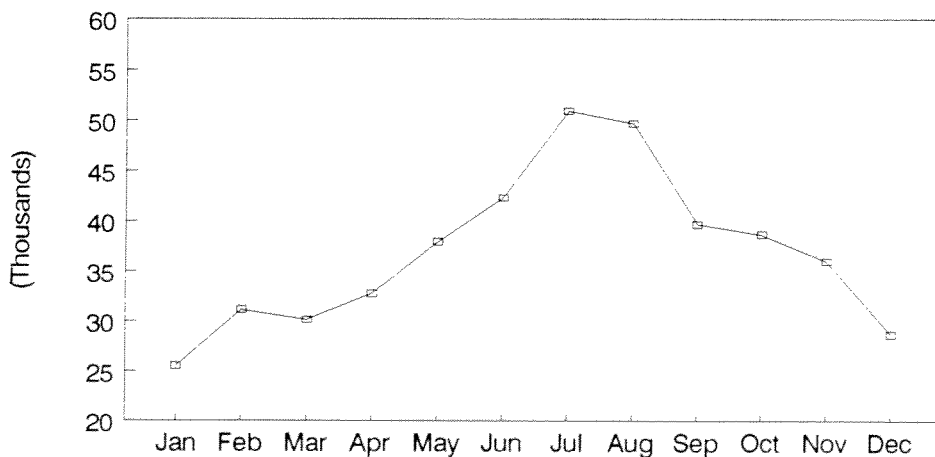
Average	36,922	Average	11,922	TOTAL	4,365,993
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To avoid double counting, divide by two	One-way	2,182,997
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To avoid double counting subtract traffic to US 51		1,529,088
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Multiply by people per car (1.78)	People	2,721,777
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Rounded to	2,700,000
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Source: Wisconsin Department of Transportation.

Table A-2 Traffic Counts at US 51 Moundville (both directions)

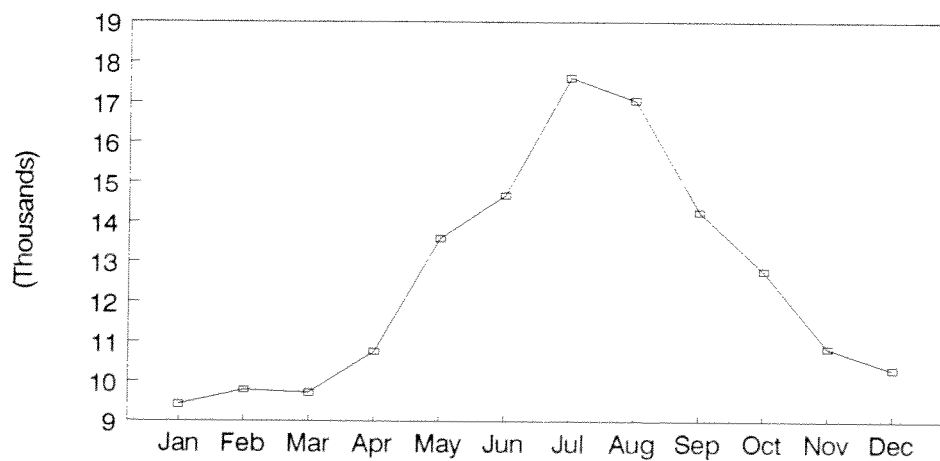
Month	ADT TOTAL	ADT Base	ADT Visitors	Days Month	Monthly Visitor Traffic
Jan	9,421	9,000	421	31	13,051
Feb	9,783	9,000	783	28	21,924
Mar	9,712	9,000	712	31	22,072
Apr	10,748	9,000	1,748	30	52,440
May	13,584	9,000	4,584	31	142,104
Jun	14,660	9,000	5,660	30	169,800
Jul	17,605	9,000	8,605	31	266,755
Aug	17,046	9,000	8,046	31	249,426
Sep	14,244	9,000	5,244	30	157,320
Oct	12,776	9,000	3,776	31	117,056
Nov	10,843	9,000	1,843	30	55,290
Dec	10,309	9,000	1,309	31	40,579

Average	12,561	Average	3,561	TOTAL	1,307,817
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To avoid double counting, divide by two	One-way	653,909
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Multiply by people per car (1.78)	People	1,163,957
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Rounded to 1,200,000



Source: Wisconsin Department of Transportation.

A-3 DNR FUNDING PROGRAMS

AIDS FOR THE ACQUISITION AND DEVELOPMENT OF LOCAL PARKS

Authorization: Section 23.09(20)

Budget: \$2,250,000 each fiscal year 1992-93

Objective: To assist local communities in acquiring and developing public outdoor recreation areas.

Eligibility: Towns, villages, cities, counties and Indian Tribes with an approved Comprehensive Outdoor Recreation Plan.

Level of Assistance: Fifty percent matching grants.

Priorities: Priority is given to the acquisition of land where a scarcity of outdoor recreation land exists.

Eligible Types of Projects: Acquisition and development of public outdoor recreation areas.

Applications: Applications are available from the District Community Services Specialists and are due in the District Office by May 1 of each year.

History: This program is part of the Stewardship Fund included in the 1991-93 budget. For additional information on the Stewardship Fund, see Section on "Other Grant Programs"

Contact: Duane Hofstetter, CA/G1
Department of Natural Resources
P.O. Box 7921
Madison, WI 53707
(608) 266-5891

or

Refer to DNR District Contact Information for appropriate District Community Services Specialist.

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Contact: Duane Hofstetter, CA/G1

Department of Natural Resources

P.O. Box 7921

Madison, WI 53707

(608) 266-5891

or

Refer to DNR District Contact Information for appropriate District Community Services Specialist.

ICE AGE TRAIL MAINTENANCE

Authorization: s. 20.370(1)(kb), Stats.

Budget: July 1, 1991-1993 - \$50,000

Objective: Maintenance of Ice Age Trail on permanent trail-way.

Eligibility: County, city, village, town or organization.

Level of Assistance: Matching funds up to 50% for purchase of equipment and materials for maintenance of the Ice Age Trail.

Priorities: Sections of Ice Age Trail that have been certified by the National Park Service.

Eligible Types of Projects: Segments owned and operated by county, city, village, town, Ice Age Trail Council/Foundation or lands owned in fee or easement.

Applications: Information and guidelines to be developed.

Contact: Bill Moorman, PR/4
Department of Natural Resources
P.O. Box 7921

URBAN GREEN SPACE

Authorization: s. 23.09(19) Stats.

Budget: \$750,000 each fiscal years 1992-93

Objective:

1. Provide open natural space in proximity to urban development.
2. To protect from development land with scenic, ecological or natural values in urban areas.
3. To provide land for noncommercial gardening in urban areas.

Eligibility: Counties, cities, villages and towns, lake districts, Indian tribes and nonprofit conservation organizations under 23.096.

Level of Assistance: 50% matching grants

Priorities: Acquisition of land in and around urban areas.

Eligible Types of Projects: See objectives

Applications: To be developed.

History: Stewardship initiative.

Contact: Duane Hofstetter, CA/G1
Department of Natural Resources
P.O. Box 7921
Madison, WI 53707
(608) 266-5891

or

Refer to DNR District Contact Information for appropriate District Community Services Specialist.

NOTE: This program is part of the Stewardship Fund included in the 1991-93 budget. For additional information on the Stewardship Fund, see Section on "Other Grant Programs".

SCENIC URBAN WATERWAYS

Authorization: s. 30.275, Stats.

Budget: Fiscal Year 1991-92 - \$50,000
Fiscal Year 1992-93 - \$50,000

Objective: To afford people an opportunity to enjoy water based recreation in close proximity to urban areas, to attract out-of-state visitors, improve tourism and protect certain watersheds.

Eligibility: Towns, villages, cities, counties, Indian Tribes, state and inland lake protection and rehabilitation districts within the Illinois Fox Watershed and Fox River Watershed from Lake Winnebago to Green Bay, Rock River in Watertown, from Jefferson through Fort Atkinson and from Janesville to the Illinois border.

Level of Assistance: Up to 80% assistance

Priorities: Local government projects based upon the degree to which the project meets program activities.

Eligible Types of Projects: Acquisition and development of local parks, open spaces, access, trails, parking, fish and wildlife habitat, woodlands, wetlands, water quality improvement projects and layout and development of scenic drives.

Applications: For application materials, contact the District Community Services Specialist.

History: Program has awarded over \$500,000 in grants to communities along the Illinois Fox River since inception in 1983.

Contact: Tom Blotz - Illinois Fox
Department of Natural Resources
2300 N. Dr. Martin Luther King, Jr. Dr.
Box 12436
Milwaukee, WI 53212
or
Jeffrey Pagels - Fox River
Department of Natural Resources
1125 N. Military Avenue
Box 10448
Green Bay, WI 54307
or
Darlene Karow - Rock River
Department of Natural Resources
3911 Fish Hatchery Road
Fitchburg, WI 53711

LAND AND WATER CONSERVATION FUND (LAWCON)

Authorization: Public Law 88-578 (1964)

Budget: Dependent upon availability of Federal funds. Allocation for 1990-91 was \$556,000.

Objective: To encourage nationwide creation and interpretation of high quality, outdoor recreational opportunities.

Eligibility: Counties, cities, villages, towns, school districts, and Indian Tribes with approved Comprehensive Outdoor Recreation Plan.

Level of Assistance: Fifty percent matching grants from the fund are available to state and local units of government.

Priorities: Acquisition of land where a scarcity of outdoor recreational land exists.

Eligible Types of Projects: Acquisition of land for public outdoor recreational areas and preservation of water frontage and open space. Development of public outdoor park and recreational areas and their support facilities.

Applications: Applications are available from the District Community Services Specialists and are due in the appropriate District Office by May 1 of each year.

History: Program was authorized by Congress in 1964 for 25 years. This program has funded approximately 2,000 projects and provided over \$60 million. The program was extended for an additional 25 years in 1988, but funding levels remain uncertain.

Contact: Duane Hofstetter, CA/G1

Department of Natural Resources

P.O. Box 7921

Madison, WI 53707

(608) 266-5891

or

Refer to DNR District Contact Information for appropriate District Community Services Specialist

Stewardship Fund

The Stewardship Fund provides up to \$25 million per year for the next nine years for a variety of programs. The programs included are:

General Land Acquisition	\$ 8,600,000
State Recreation Property Development	3,500,000
Local Park Aids	2,250,000
Lower Wisconsin River Acquisition	2,000,000
Stream Bank Easements	1,000,000
Natural Areas Acquisition	1,500,000
Wildlife Habitat Restoration and Fisheries	1,500,000
Trails	1,000,000
Urban Green Space	750,000
Natural Areas Match Grant	500,000
Ice Age Trail	<u>500,000</u>
TOTAL	\$23,100,000

The Department has developed Administrative Rules for the Stewardship Fund. Local Park Aids and Urban Green Spaces are the two programs available to local governments. The other programs are designed for state projects and for grants to Nonprofit Conservation Organizations.

Recommendation: *ERA and the Steering Committee recommend the historic Canal be preserved with an adequate water supply, appropriate clean up, and new trails. Also that a visitor center be developed, preferably in a restored Nehls building which would include an interpretive center, restaurant, and waterfront plaza. An initial cost estimate for this recommendation is \$2 million.*

This is clearly going to be a difficult program for the City of Portage. While the recommended option is not too complicated, and the potential economic and community benefits are defendable, the State and Federal governmental process could be complex. We further recommend the following steps to facilitate the Canal program:

1. The City review and acceptance of the report and the Steering Committee's recommendation.
 - City Council
 - Chamber of Commerce
 - Community Meetings
2. City Council designate the current Steering Committee to pursue project funding.
 - Review with Federal and State elected officials; request their involvement as a facilitator.
 - Prioritize project activities, with the Interpretive Center and Plaza as objective one and Canal improvements to follow, related to funding opportunities.
3. Work through the legislative process to determine the State's response to financing the project components. The basic funding sources are:
 - Department of Natural Resources for the Canal, Interpretive Center and Plaza.
 - Department of Transportation (ISTEA) for Interpretive Center and plaza.
 - Economic Development and Community Development Block Grants - Engineering and architectural details and the Interpretive Center.