

I. INTRODUCTION

Jefferson County is at a crossroad. Located in southeast Indiana, Jefferson County is within close proximity to three major metropolitan areas – Louisville, Cincinnati and Indianapolis. Rural land that has historically surrounded these cities is being consumed to accommodate growth. As a result, commercial centers are emerging along the interstate to serve new growth. While Jefferson County has maintained its rural character, nearby growth is not only capturing retail expenditures that may have otherwise been made in Jefferson County, but it also raises the question as to what extent should Jefferson County preserve its agricultural base.

Motivated to address these concerns, in August of 2001 the Jefferson County Collaborative Marketing Project contracted with Marketek, Inc. to provide a comprehensive assessment of potential market support for retail uses in Jefferson County, including four subareas or submarkets of the county: downtown Madison, the Hilltop area of Madison, the town of Hanover and rural Jefferson County. The market analysis is intended to:

- Create an accurate picture of Jefferson County's retail industry including the location and characterization of the existing supply of businesses, consumer preferences, needs and buying patterns and opportunities and challenges for growth and development.
- Provide the Madison/Hanover/Jefferson County area with a base for developing strategies to strengthen and diversify the local retail industry and capture consumer dollars currently flowing out of Jefferson County.

During the course of the study, Marketek conducted two site visits. The first visit occurred in August 2001 and entailed multiple focus groups with Jefferson County business owners, elected officials and community leaders as well as a training session to distribute and tabulate surveys of employees, residents, business owner/operators and farm owner/operators. The final site visit was conducted in June 2002 during which time Marketek shared its conclusions and recommendations with the community. The results of this study are based on:

- Two site visits conducted by Marketek principals;
- Focus groups;
- Surveys of Jefferson County residents, employees, business owners/operators and farm owners/operators;

- Personal and telephone interviews with numerous private and public leaders of Jefferson County, the region and state government;
- Research on trends and issues impacting the agricultural industry;
- Private data sources;
- A statistical retail demand analysis; and
- The professional and technical expertise of Marketek, Inc.

This market analysis represents an important step in the Jefferson County's long term commitment to strengthen its commercial base and prevent valuable retail expenditures from leaking out of the county. The report is organized into six primary sections:

- Development Assessment
- Socioeconomic Characteristics and Trends
- Survey Research
- Retail Potential
- Agricultural Issues and Trends
- Retail Development Strategy

In addition to the main body of the report, Appendices I through IX provide the foundation upon which many of the report's findings and recommendations are based. The Appendices are organized as follows:

- Appendices I through IV provide tabulations of the Resident, Employee, Business Owner/Operator and Farm Owner/Operator Surveys;
- Appendix V lists the mix of retail business in downtown Madison;
- Appendix VI is an inventory of shopping centers in Jefferson County;
- Appendix VII provides a listing of major free standing retail establishments in Jefferson County;
- Appendix VIII is an article summarizing what it takes to succeed with farm supply retail; and
- Appendix IX offers a listing of supplemental resources, documents and websites related to agriculture.