

## Economic Development

### Introduction

Before an economic development plan can be developed for any community, prevailing influences must be identified which help to quantify the community assets, liabilities and trends that may aid or hinder economic development efforts. The Town of Round Lake's rural and its environs exhibit a different kind of economic development model, one with businesses relying on the area's northwoods character, plentiful water resources, and acres of public (state and federal) forest resources. With that in mind, specific data pertinent to the Town of Round Lake will be examined within this section.

### Labor Force Profile

Labor force characteristics (**Table 6.1**) reflect the population of the Town of Round Lake. Roughly two-thirds (66.2%) of the permanent year round population of the Town of Round Lake are in the labor force. The Wisconsin Department of Workforce Development defines labor force as all persons 16 years of age or over who are either employed or unemployed

**Table 6.1: General Characteristics of Round Lake**

Characteristics	Town of Round Lake	Sawyer County	Wisconsin
Civilian Labor Force	514	7,709	2,869,236
Unemployment Rate	4.3%	6.6%	4.7%
Labor Participation Rate	66.2%	60.3%	69.1%
Education Beyond High School (25 and over)	50.3%	44.7%	50.6%
Bachelor's Degree or Higher (25 and over)	25.1%	16.5%	22.4%
Per Capita Income	\$24,951	\$17,634	\$21,271
Median Household Income	\$40,179	\$32,287	\$43,791
Poverty Rate	6.7%	12.7%	8.7%
Median Age	48.2	42.1	36.0

Source: U.S. Census 2000

### Economic Base

The **Table 6.2** reflects the number of residents within the Town of Round Lake by industry sector. A total of 492 residents were employed according to the 2000 U.S. Census. Arts, entertainment, recreation accommodation and food service represented the greatest concentrations of employment. This employment sector matches well with the character of the Town of Round Lake and surrounding area.

**Table 6.2: Employed Residents by Industry Sector**

<b>Industry</b>	<b>Census 2000 Number</b>	<b>Percent</b>
All Industries	492	100.0%
Agriculture, forestry, fishing and hunting, and mining	6	1.2%
Construction	69	14.0%
Manufacturing	66	13.4%
Wholesale trade	5	1.0%
Retail trade	47	9.6%
Transportation and warehousing, and utilities	9	1.8%
Information	4	.8
Finance, insurance, real estate, and rental and leasing	26	5.3%
Professional, scientific, mgmt., administrative, and waste mgmt.	22	4.5%
Educational, health and social services	84	17.1%
Arts, entertainment, recreation, accommodation and food serv.	99	20.1%
Other services (except public administration)	26	5.3%
Public administration	29	5.9%

Source: U.S. Census 2000

### **Economy and Largest Employers**

According to the 2000 U.S. Census, the sector of employment with the largest percentage of employment in the Town of Round Lake is primarily the tourism and entertainment industry. The majority of tourism based businesses within the Town of Round Lake are the resorts or tourist support business (restaurants), but the numbers of resorts have been declining steadily since the late 1960's as resorts continue to be subdivided and sold off.

### **Travel Time to Employment**

The Hayward area, including the City of Hayward and Town of Hayward, serves as the primary retail, employment and service center for Sawyer County including the Town of Round Lake. Most Town of Round Lake residents, who are employed, work in Hayward and have an average travel time to their places of employment of nineteen (19) minutes. Nearly 60 percent of those employed drive to work alone and 17.8 percent carpool. Fifteen percent of Round Lake residents work from home.

### **Future Population and Labor Supply**

The trend in Sawyer County (Source: Community Demographics) is towards an aging population that will soon outnumber the younger population. This trend points to a potential shift in the types and quantity of services that will be demanded as the population ages. This shift in the age of the population presents challenges as well as opportunities for economic development.

Two examples which provide future challenges and opportunities are:

- The potential for labor shortages due to retirements and lack of replacement workers, especially in occupations that require primarily younger employees.
- The aging population will demand changes in the types of services and products.

These trends have already begun to impact economic development within Sawyer County. In response to the trend of the county's aging population, Walgreen's opened a new store in Hayward in 2009. Marshfield Clinic expects to break ground on a new clinic in 2009 and the Hayward Area Memorial Hospital has plans in 2010 for a 50 unit assisted living center with an additional 20 nursing home beds. These new businesses will fill needs of residents that live throughout the county and they will offer significant employment opportunities for county residents, some of which will likely live in the Town of Round Lake.

While some may view Sawyer County's aging population as a factor that negatively influences economic development, with the Marshfield Clinic, Hayward Area Memorial Hospital, and Walgreen's example, the aging population trend can provide economic development opportunities for the county. As amenities, such as expanded health care choices and competitively priced pharmaceuticals are made available in the county, the Town of Round Lake residents will share in these benefits.

### **Sawyer County and Town of Round Lake Median Household Income: Changes for the Future?**

According to the 2000 U.S. Census, the median household income for the Town of Round Lake is \$40,170 (Table 6.3)

**Table 6.3: Median Household Income**

<b>Industry</b>	<b>Median Household Income</b>
Town of Round Lake	\$40,170
Sawyer County	\$32,287
State of Wisconsin	\$43,791

Source: U.S. Census Bureau, 2000

Sawyer County Median Household Income levels are expected to rise significantly over the next few decades based on a survey of second homeowners conducted by the Sawyer County Development Corporation and the University of Wisconsin–River Falls. The survey was sent to each of the 1,265 people who owned a second home in Sawyer County. A total of 631 people responded to the survey. The number who responded represented a statistically significant percentage of Sawyer County second homeowners.

The survey revealed that Sawyer County's second homeowners are very well-educated and earn relatively high incomes (\$100,000+/year) when compared with current year-round county residents. In addition, second homeowners spend approximately \$17,500 per year in Sawyer County on consumer purchases, which has a total estimated impact on the county economy of \$29.8 - \$32.5 million per year.

Of particular importance to economic development planning is that nearly 30% of the respondents indicated that they planned to move to Sawyer County. If that occurs, it's anticipated that the influx of this population will have a significant and positive impact on economic development within Sawyer County. It's expected that many of these potential new residents will become active and involved in the community bringing with them their education

and expertise in areas including, but not limited to: planning, politics, development, and business.

### **Strength and Weaknesses**

The Town of Round Lake has unique strengths, which could lead to job growth and retention. The strengths include a high degree of environmental quality and beauty which most would agree make the Town of Round Lake a highly desirable place to work and live. In addition, the stability of the workforce and population exceeds national averages with 62% of Round Lake residents living in their current residences for five years or more. Town of Round Lake residents also possess attained educational levels that exceed averages found within northwest Wisconsin.

However, the Town of Round Lake is faced with challenges that hinder economic development including the lack of infrastructure, such as readily available cellular service and high speed internet. Distance to market, lack of immediately available raw materials, and a skilled labor force also represent challenges.

Three educational institutions within Sawyer County are available to the Town of Round Lake residents to train and educate if an employer with a requirement for specific skills would locate to the area. The educational institutions are: Wisconsin Indianhead Technical College (WITC), Hayward LCO Community College, and University of Wisconsin – Extension. Each of the educational institutions has the ability to design a curriculum to meet the needs of specific employers.

### **Opportunities to Attract and Retain Businesses and Industry**

Opportunities to attract new businesses and industry are limited due to the Town of Round Lake's rural location and limited infrastructure. Small-scale, family-owned businesses compatible with the comprehensive plan, the environment and the unique northwood's character of the Town, are encouraged. Restaurants, resorts, fishing tackle and bait shops and various home-based businesses are examples of welcome enterprises.

If cellular service and high speed internet were readily available in Round Lake, it is anticipated that some of the second homeowners of Round Lake would relocate to the township because they would be able to operate home offices. This potential group of individuals would bolster job growth within the township.

The placement of cell towers is often a controversial issue. Typically, private companies usually own the cellular towers and are responsible for site acquisition and tower placement. In some cases, it could be feasible for a municipality to own the towers to secure cellular service for its residents. Because the Town of Round Lake has identified the lack of cellular service and high speed internet as an issue of great importance, the Town of Round Lake should explore with other towns the opportunity to partner with the goal of obtaining cellular service for their communities.

Additionally, because many of the roads within the Town of Round Lake are subject to "road bans" (weight limits) during the period of the annual spring thaw, companies which require

over-the-road transport of raw materials and finished products are not likely to locate facilities upon affected roads throughout the township. There is, however, potential for some limited manufacturing facilities along County Highway B, County Highway A, and State Highway 77 within the Town of Round Lake.

### **Business and Industrial Sites**

The town's future land use map reflects the town's desire to plan for business and industry to meet the town's objectives for employment while maintaining the natural appeal of the environmental quality of the Town of Round Lake. It is important the community continue to work on strengthening its position to meet future business and industry needs.

### **Redevelopment and Contaminated Sites**

There are no known contaminated land sites. If any sites and problems are found, the Town will take a proactive role in resolving and working with local, state, and federal agencies.

### **Issues, Opportunities, and Constraints**

The availability of quality natural resources within the Town of Round Lake offers a wide array of outdoor recreational opportunities that support the local tourism industry.

The majority of jobs in the Town of Round Lake are lower paying jobs in the service and retail trade sectors. Median Household Income (MHI) within the Town of Round Lake was nearly 9% lower than the statewide average but is 8% higher than that of Sawyer County. The somewhat lower wages from these jobs challenge households to afford basic needs, including housing, goods, and services. On the other hand, Sawyer County does not have an excess of workforce to fill the available jobs within the area and as a result many employers are beginning to offer higher wages. Such jobs in Sawyer County typically lack fringe benefits.

Obviously, the supply of affordable housing is vital to economic development efforts within a community, because workers employed in lower-paying service and retail jobs need affordable housing. The Town of Round Lake recognizes the need of affordable housing opportunities.

### **Sawyer Counties Economic Employment Trends and a Peek into the Future**

According to the Wisconsin Department of Workforce Development's 2004 Sawyer County Workforce Profile, roughly 50% of all county manufacturing jobs are in the wood products sub-sector where workers average an annual wage of \$46,659.

With the advent of higher fuel prices and efforts to develop alternative fuel sources, such as grain and cellulose ethanol and wood fuel pellets, Sawyer County seems to be well positioned to capitalize on the country's quest to develop alternative fuel sources that are reliable and efficient. In 2008 the Great Lakes Renewable Energy (GLRE) manufacturing plant that produces wood fuel pellets broke ground in Hayward. The plant employs twenty-one (21) full-time employees year-round within the plant, as well as twelve (12) year-round, full-time foresters.

Another alternative fuel source, cellulose derived ethanol, may provide an opportunity for the Town of Round Lake economic development. If cellulose-derived ethanol attains cost-efficiency as national economists predict, then it can be anticipated that the Town of Round Lake could

participate in the growth of that industry. Much of the current residual remains of logging operations could be utilized to provide an inexpensive and readily available supply of raw materials for cellulose-derived ethanol. While there has been some debate of the effects of such manufacturing operations on the ecology and sustainability of forests, animal life and the environment; before any permits for operations could be issued public hearings would be conducted.

### **Financial Incentives to Potential Employers**

The future of economic development growth within Sawyer County and the Town of Round Lake is dependent upon: the growth and expansion of existing businesses; new business start-ups within the county; and, attracting new employers to the area. In today's competitive market to retain and attract businesses, many municipalities and counties have adopted incentive packages. Economic development incentives have not been developed or adopted anywhere in Sawyer County to-date.

### **Economic Development Programs**

Several economic development programs are available to qualifying applicants from within the Town of Round Lake, surrounding communities, Sawyer County, local economic development organizations, and/or local businesses. These programs are organized according to the agency that makes each of them available.

### **Economic Development Funding Programs**

#### **Federal Economic Development Programs**

##### **USDA-Rural Development Programs**

###### **USDA Rural Development: Business and Industry Guaranteed Loan Program**

This program provides loan guarantees up to 80 percent for eligible projects. Maximum guarantees of up to \$10 million are available for each business. The program was established to improve, develop, or finance business, industry and employment, and to improve the economic and environmental climate in rural communities. For more information: [http://www.rurdev.usda.gov/rbs/buspb&i\\_gar.htm](http://www.rurdev.usda.gov/rbs/buspb&i_gar.htm)

###### **USDA-Rural Development: Community Facility Loan (CFL) Program**

The CFL program provides loan guarantees of up to 90 percent for eligible projects; however, unless extraordinary circumstances exist, typically the program will guarantee up to 80 percent. The program is designed to construct, enlarge, extend or otherwise improve public and community facilities that provide essential services in rural areas and town with populations of less than 50,000. For more information: <http://www.rurdev.usda.gov/rhs/cf/cp.htm>

###### **USDA-Rural Development: Rural Economic Development Loan Program (REDL)**

The Rural Economic Development Loan (REDL) Program has the purpose of fostering economic development and employment in rural areas. The REDL program typically involves loan funding which passes through a rural utility, such as an electric cooperative to the ultimate borrower. The funds can be use for construction of business incubators, start-up costs for economic development initiatives, job creation projects, and other reasonable expenses for projects,

which will lead to jobs creation. For more information: <http://www.rurdev.usda.gov/rbs/busp/redlg.htm>

#### USDA-Rural Development: Water & Wastewater Disposal Grants and Loans

The USDA-Rural Development recognizes that economic development and employment cannot occur or be maintained without adequate water and wastewater infrastructure in place and fully functional. Therefore, the USDA-Rural Development has developed programs to provide mechanisms to provide for these vital infrastructure necessities in the form of Water and Wastewater Direct Loans and Grants. Water and Waste Disposal Loans and Grants are made for the purpose of reducing water and waste disposal costs to a reasonable level for users of the system. For more information: <http://www.usda.gov/rus/water/program.htm>

#### **U.S. Economic Development Administration (EDA)**

##### EDA: Public Works and Development Facility Grant Program

Under this program, grants are provided to help distressed communities or organizations which serve those communities with the goal of attracting new industry, encouraging business expansion, diversifying local economies and generating or retaining long-term, private sector jobs. For more information: <http://www.eda.gov/AboutEDA/Programs.xml>

#### **U.S. Small Business Administration (SBA)**

##### SBA Loan Guarantee Programs

The recent groundbreaking for the Great Lakes Renewable Energy manufacturing plant likely would not have occurred without the SBA loan guarantee that GLRE had received. The purpose of this program is to provide loan guarantees to lenders, which are unable to provide conventional financing to small businesses. For more information: <http://www.sba.gov/services/financialassistance/sbaloantopics/index.html>

#### **Federal Home Loan Bank of Chicago**

##### Community Investment Program (CIP)

CIP funds are available through advances (loans) to member financial institutions in Illinois and Wisconsin that hold stock in the Federal Home Loan Bank regional office of Chicago in accordance with the banks' most recent credit policy guidelines. Funds may be used to finance commercial and economic development projects that benefit low and moderate-income families or activities that are located in low or moderate-income neighborhoods. For more information: [http://www.fhlbanks.com/programs\\_comminvest.htm](http://www.fhlbanks.com/programs_comminvest.htm)

#### **State of Wisconsin Economic Development Programs**

#### **Wisconsin Department of Commerce (DOC)**

##### WI DOC: Community-Base Economic Development Program (CBED)

CBED provides funding assistance to local government and community-based organizations that undertake planning or development projects or that provides technical assistance services that are in support of business and community development. For more information: <http://www.commerce.state.wi.us/cd/CD-index-about.html>

**WI DOC: Wisconsin Community Development Block Grant for Public Facilities for Economic Development (CDBG-PFED)**

This program has the purpose of assisting communities with expanding or upgrading their infrastructure, such as: water systems; waste-water treatment systems, and roads that are owned by a general or special purpose unit of government to accommodate businesses that have made a firm commitment to create jobs and invest in a community. For more information: <http://www.commerce.state.wi.us/CD/CD-bcf-cdbg-pfed.html>

**WI DOC: Community Development Block Grant Blight Elimination and Brownfield Redevelopment Program (CDBG-BEBR)**

Application through the Community Development Block Grant Blight Elimination and Brownfield Redevelopment Program (CDBG-BEBR) program provides grant funds to local units of government to use the funds to clean-up contaminated sites. For more information: <http://www.commerce.state.wi.us/CD/CD-bfi-grants.html>

**WI DOC: Industrial Revenue Bond (IRB) Program**

The IRB program is used by communities to build their economic base, add jobs and investment. An IRB is a long-term, usually fixed rate-financing package offered primarily to manufacturing businesses for capital investment projects (construction expansion, land and or equipment). For more information: <http://commerce.wi.gov/BD/BD-IRB.html>

**Wisconsin Department of Transportation (WisDOT)****Transportation Facilities for Economic Assistance and Development (TEA) Program**

The TEA program provides funds to governing bodies, private businesses, and consortiums for transportation facility improvement projects that are necessary to help attract employers to Wisconsin, or to encourage businesses to remain and expand in the state. For more information: <http://www.dot.wisconsin.gov/localgov/aid/tea.htm>

**Wisconsin Department of Revenue****Tax Incremental Financing**

In 1975, the Wisconsin Legislature enacted the Tax Incremental Financing (TIF) program. The primary reason the legislature established the program was to give cities and villages within the state a financial mechanism to help fund public works and economic development projects, which without the program would probably not occur. TIF Districts provide an excellent vehicle for cities and villages to retire costly expenditures, such as infrastructure (water and sewer), which are needed to attract and retain businesses. For more information: <http://www.dor.state.wi.us/pubs/slf/tif/pe-207t.pdf>

**Wisconsin Housing and Economic Development Authority (WHEDA)****Small Business Guarantee**

The program provides loan guarantees of up to 80 percent on new loans for upgrading or expanding an existing business. Although changes for the guarantee limits are reportedly in process, current maximum guarantees amount to \$200,000 on loans up to \$750,000 and \$80,000 on loans up to \$250,000 for working capital. The WHEDA Small Business Guarantee program is designed to assist in the acquisition or expansion of existing small businesses. For



more information:

<http://www.wheda.com/root/WhedaProducts/SmallBusiness/Default.aspx?id=187>

## **Local and Regional Programs**

### **Indianhead Community Action Agency Revolving Loan Fund**

The Indianhead Community Action Agency (ICAA) Revolving Loan Fund (RLF) has been in existence since 1995. The ICAA RLF has the goal of creating and retaining employment opportunities in the ICAA nine county service area of northwest Wisconsin. For more information: <http://www.indianheadcaa.org/business.asp>

### **Northwest Wisconsin Regional Economic Development Fund (NWREDF)**

The Northwest Wisconsin Regional Economic Development Fund (NWREDF) administers the revolving loan program in partnership with local communities (including Sawyer County), Northwest Regional Planning Commission and the Wisconsin Department of Commerce. NWREDF provides low-cost financing of up to \$200,000, for eligible businesses seeking to either start or expand their operations in Northwest Wisconsin. Focus is placed on high technology businesses, manufacturing, timber, secondary wood products, and the tourism industry. For more information: <http://www.nwrpc.com/economic-development>

### **Northwest Wisconsin Business Development Fund (NWBDF)**

The Northwest Wisconsin Business Development Corporation administers several revolving loan funds providing long-term fixed rate, low down payment and low interest financing to industries in northwestern Wisconsin. For more information: <http://www.nwrpc.com/economic-development>

### **Sawyer County Development Corporation (SCDC)**

#### **SCDC Revolving Loan Fund**

Sawyer County Development Corporation (SCDC) is a non-profit organization responsible for conducting and coordinating the business and economic development efforts of Sawyer County. During the past two years, SCDC recruited and secured new employers Great Lakes Renewable Energy (GLRE) (33 jobs total) and Northern Bridges (90 jobs total) for Sawyer County. SCDC administers a Revolving Loan Fund which has the goal of providing capital for new and existing businesses in Sawyer County. Loans are made from the SCDC RLF at interest rates that range from 4%-6%. For more information: <http://www.scdc.us>

## **Economic Development Goals, Objectives, and Actions**

To assist in furthering economic development, a list of goals, objectives and actions has been developed.

**Goal: Allow for high quality economic development that emphasizes the natural environment of the town.**

Objective 1: Prevent uncontrolled commercial development.

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- Action 1: Plan for development that will enhance the community character and limit sprawl.  
Responsible party – Plan Commission  
When - Ongoing
  
  - Action 2: Keep commercial development centralized on main transportation corridors and around existing development in areas identified on the Future Land Use Map.  
Responsible party - Plan Commission  
When – Ongoing
  
  - Action 3: Strive to balance economic development needs with the desire to preserve our rural northwoods quality of life for current and future residents.  
Responsible party - Town Board  
When – Ongoing
  
  - Action 4: Support future development that preserves open space and natural areas.  
Responsible party - Plan Commission  
When - Ongoing

Objective 2: Attract and retain quality businesses and industries that improve the employment and personal income base of the town.

- Action 1: Focus economic development activities on light industrial/manufacturing, high tech manufacturing, tourism and recreational activities, forest product and agricultural activities desirable to the community.  
Responsible party - Town Board  
When – Ongoing
  
- Action 2: Limit new commercial/industrial activity to those areas designated for such use on the Future Land Use Map in order to minimize adverse impacts upon surrounding land use.  
Responsible party - Town Board  
When – Ongoing
  
- Action 3: Work with existing businesses to ensure their ability to meet future expansion needs locally.  
Responsible party - Town Board  
When – Ongoing
  
- Action 4: Provide business owners with the opportunity to interact more directly with the town to express questions, concerns, and comments.  
Responsible party - Town Board  
When – Ongoing

- Action 5: Encourage local entrepreneurs who seek to expand and diversify the town’s economy by establishing home occupations, provided such uses do not constitute a nuisance to neighboring properties (i.e. excessive noise, traffic, odors, vibration, etc) or deter from the rural character of the area (i.e. signage, lighting, etc.).  
Responsible party - Town Board  
When – Ongoing
  
- Action 6: Work with utility companies to improve telecommunications throughout the town providing adequate infrastructure and public services to accommodate home-bases businesses.  
Responsible party - Town Board  
When – 2010
  
- Action 7: Support the use of available federal, state, and private grants to promote economic development opportunities.  
Responsible party - Town Board  
When - Ongoing

Objective 3: Ensure that future commercial and industrial development is compatible with the rural character of the Town of Round Lake.

- Action 1: Adopt standards for commercial development, which reflects a northwoods character.  
Responsible party - Town Board  
When – 2010
  
- Action 2: Adopt standards for signage, lighting and landscaping for commercial/industrial development within the town.  
Responsible party - Town Board  
When – 2010
  
- Action 3: Adopt design standards for use in commercial and industrial construction.  
Responsible party - Town Board  
When – 2010
  
- Action 4: Explore opportunities for camping and ATV, snowmobile, hiking and bicycle trails within the town.  
Responsible party - Town Board  
When - Ongoing

**Coordination with Other Plan Elements**

Economic development in the Town of Round Lake has the potential to impact many of the other required plan elements. What follows is a summary of the relationship between the

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Economic Development Element, Land Use, Transportation, Intergovernmental Cooperation, and Housing.

*LAND USE*

The location, type, and amount of business development in the Town of Round Lake was an important consideration in the development of the *Future Land Use Map*. Likewise, as business environments were identified in the planning effort, the importance of landscaping, signage controls and lighting controls to protect the northwoods character of the town was discussed.

*TRANSPORTATION*

Existing businesses are located throughout the community on town, county and state roads. This situation presents some challenges, particularly on narrow town roads, with limited shoulder areas and more limited sight-distances.

*INTERGOVERNMENTAL COOPERATION*

The need for improved infrastructure was addressed in the Economic Development Element. Cooperation between surrounding towns to improve cellular service in the area was found to be an important issue for the growth and development of the economic status in the Town of Round Lake.

*HOUSING*

The need for affordable housing for those employed in the Town of Round Lake and surrounding towns was identified.