

DEVELOPING OUR ECONOMY

WHAT IS IT?

Economic development is the deliberate effort to improve the economy and standard of living, particularly through job creation and income growth. It can be pursued at all geographic and governmental levels.

There are five general components of economic development practice:

- 1) organizational development
- 2) infrastructure development
- 3) business development
- 4) workforce development
- 5) attracting new dollars.

WHY DO WE WANT IT?

Sustained or increased employment and income levels which provide a good standard of living for community members are the most important economic goals. These are typically achieved through job creation and retention.

Other important economic development benefits include:

- Increases to the tax base and funding of infrastructure projects, so residents continue to receive the level of services that they expect.
- Creation of a skilled and educated workforce.
- Capturing a multiplier effect as local businesses and services support each other, purchases are made locally, and dollars are kept within the community.
- Redevelopment of deteriorating sites and brown-fields.
- Strengthens community identity through tourism, marketing, beautification programs, etc.

Businesses are also important partners and resources that contribute to the quality-of-life and improvement of our communities. These benefits are wide-ranging, from direct donations for community projects to the more organized efforts of local chambers of commerce, rotary clubs, and business park boards.

Our region is blessed with strong collaboration between the public and private sectors. Industry, educational institutions, and local governments have partnered on many different projects, such as the NanoRite Center and Momentum West. Other unique private-public partnering examples are Disaster Ready Chippewa Valley and the West Central Wisconsin Rail Coalition.

Common Economic Development Tools

This section highlights some of the more common economic development tools and concepts in use by west central Wisconsin communities, but this list is far from exhaustive. Communities are advised to work within the region's economic development network to identify a mix of tools to best meet their needs. There is also a variety of programs, tools, and assistance available for specific industries (e.g., agriculture, health, technology) which are not covered here.

Programmatic Tools and Concepts

- **Business Clustering:** A tactic used to strengthen relationships between businesses, suppliers, and associated institutions in a community or region, usually within related industries.
- **Community Development and Redevelopment Authorities:** Cities, villages, and towns may authorize an entity to carry out community development (§66.1335) and redevelopment (§66.1333).
- **Downtown Revitalization & Main Street Programs:** (see pages 24-25)
- **Economic Development Program:** Communities may establish economic development divisions within their governmental structure.
- **Economic Gardening:** A model which focuses on entrepreneurs, existing businesses, and planting many "seeds", rather than focusing on luring one or two medium- or large-sized companies.
- **Entrepreneurial Support:** Providing assistance to new and emerging businesses. Assistance can be quite varied, including financing, rental support, training, operational services, mentoring, and networking. Incubator programs are popular tools for encouraging entrepreneurship.
- **Industrial, Business, and Technology Parks:** An area set-aside by the community, often in concert with zoning and TIF plans, for a specific range of commercial and industrial uses. Often, infrastructure, marketing, and other incentives are used to attract new development to these parks.
- **Marketing and Tourism Plans:** The analysis of local conditions and identification of strategies for promoting opportunities and attracting investment, development, skilled workers, or customers. Such plans may be a sub-plan of a larger economic development strategy or may be specific to a certain area or industry (e.g., industrial park, local foods or services, county, region).

Economic Trends in West Central Wisconsin

- Seasonal variations in unemployment are substantial in some of our more rural counties.
- Within the past decade, employment in the education and health industry has surpassed manufacturing.
- Increasing numbers of residents are commuting to the Twin Cities.
- Average annual wages remain below the State average.
- As the population ages, the labor force will likely tighten and employment demands in the health and service industries will be great.

Notable Economic Strengths

- Natural and agricultural resources
- Manufacturing base
- Highway and rail connections
- Educational and health institutions
- Strong economic development network
- Proximity to Twin Cities

Financial Tools

- **Business Improvement Districts (BIDs):** A BID is a defined geographic area within a community that uses a special tax assessment for the development, maintenance, and promotion of the district.
- **Industrial Bonds:** Local governments may issue industrial revenue bonds for a variety of improvements and initiatives. Debt retirement is provided by the companies or organizations which benefit.
- **Revolving Loan Funds (RLFs):** Typically provides lower-interest, gap financing or small start-up loans, but can vary and focus on specific types of businesses or activities.
- **Tax Increment Financing (TIF):** Towns, cities, and villages may create TIF Districts in which the taxes gained from new development is used to repay for the infrastructure and other costs needed to allow for the new development to occur.

Common Financial Assistance Programs

- **Economic Development Administration (EDA):** Loans and community project grants provided locally through WCWRPC.
- **USDA Rural Development:** Loans and grants.
- **Regional Business Fund, Inc.:** Loans; most public RLFs in the region have been consolidated into RBF, Inc., administered by WCWRPC.
- **WI Dept. of Commerce:** Economic development tax credits, technology commercialization programs, HUD Community Development Block Grants (CDBG) and other grants, loans, and capital financing.
- **WI Dept. of Transportation:** Transportation Economic Assistance (TEA) Program: Grants.
- **WI Entrepreneurs' Network:** Grants.
- **WI Business Development Finance Corporation:** Loans and tax credits.

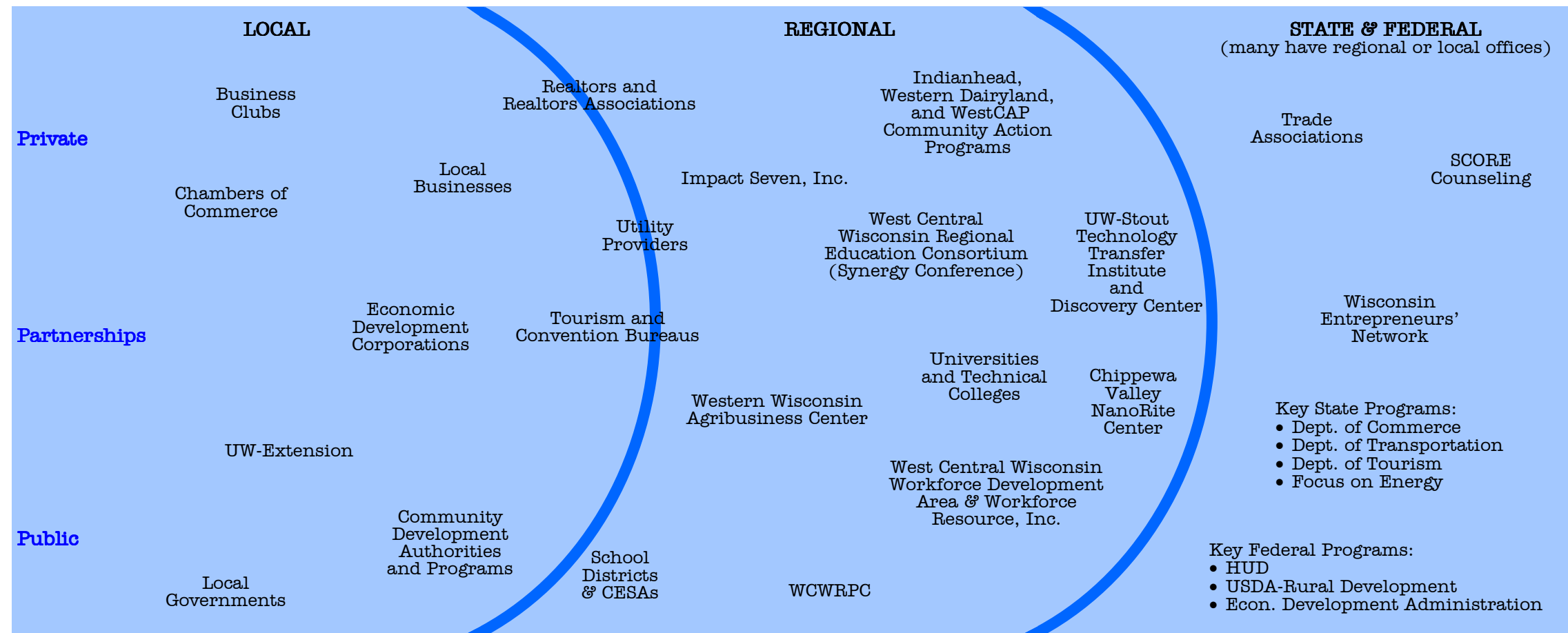


What needs to be done

- Develop your local organizational capacity. Identify leaders and champions who will coordinate and take the lead on behalf of your community.
- Coordinate with the economic development (E.D.) network who can advise, provide support, and help champion your project and plans.
- Gather and analyze data. Identify strengths, weaknesses, opportunities, and threats (SWOT analysis).
- Work with stakeholders to build a vision and E.D. plan. Address all five E.D. components and identify strategies best suited for your community. Establish priorities and metrics by which progress can be evaluated. Special studies and plans may also be needed, but should be guided by your overall plan.
- Update your local comprehensive plan, zoning map, and regulatory tools for compatibility with your E.D. plan goals and strategies.
- Coordinate your E.D. plan with public works offices and utility providers. Amend your capital improvements plan.
- Communicate your E.D. plan goals to the E.D. network so educational and training programming can be customized for your community.
- Identify strategies to improve quality-of-life, provide housing, and offer other services to attract and retain a workforce, if needed.
- Contact WCWRPC to add your projects to the Region's plan (CEDS) for EDA funds. Partner with the private sector for provision of services (e.g., employer-supported housing) when opportunities exist.
- Get started and stay focused! Economic development can seem overwhelming. But it is okay to begin with a smaller workgroup and limit your plan's scope. Continue to evaluate progress on your goals and metrics. Periodically update your plan.

West Central Wisconsin's Economic Development Network

An effective economic development strategy starts through organization, analysis, and the creation of a plan. Our region has a wealth of expertise and resources available to assist with local planning and project initiatives. Local governments can tap into this existing network in a variety of ways, such as contacting their county economic development corporation or WCWRPC. Help is available.



Using the Network and Tools: A Local Case Study

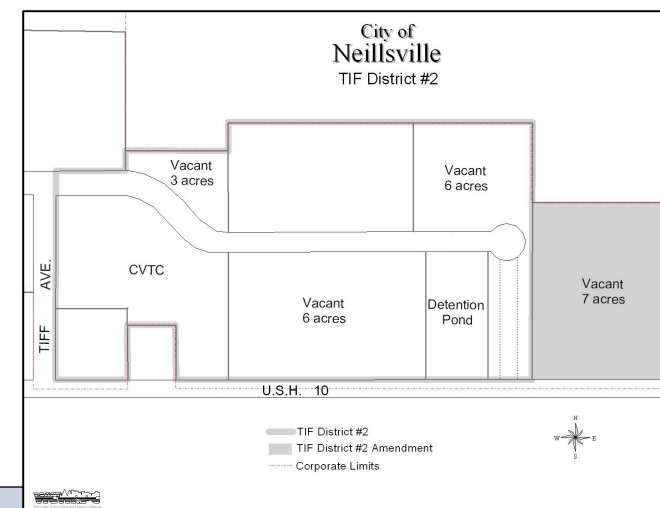
Beginning in 2006, a partnership between OEM Fabricators, Inc. and the City of Neillsville was being formed. OEM, a component manufacturing company headquartered in Woodville, was in need of a second site with utility capacity. Neillsville had a skilled workforce available due to layoffs at other metal fabricating industry in the community. This private-public partnership skillfully worked within the region's economic development network and used a variety of resources and tools which resulted in the 2007 opening of a 54,000 square foot facility in the Neillsville business park.

Partners and Resources

- OEM Fabricators, Inc.—key partner; private bank financing.
- City of Neillsville—key partner; land; other financial resources.
- WCWRPC & RBF, Inc.—EDA loan financing; project coordination and support.
- Clark County Economic Development Corporation—loan financing.
- Wisconsin Department of Commerce—CDBG loan financing.
- Wisconsin Business Development Finance Corporation—SBA 504 loan financing.
- EarthTech, Inc.—city engineer; additional project coordination.

Key Economic Development Tools

- A variety of loan financing was used to leverage resources.
- TIF District #2 was amended and expanded to finance infrastructure improvements and site development. WRWPRC provided project planning. An annexation required a property tax agreement with the Town of Pine Valley.
- A TEA grant helped fund highway and access road improvements. The grant proposal was prepared by WCWRPC working cooperatively with the Wisconsin Department of Transportation.



RELATED CONCEPTS:

Business Incubator: A program to promote entrepreneurialism and business start-ups, often for a specific industry or target group. Incubators vary widely and can include planning support, mentoring, and links to financial, technical, marketing, and other resources. An incubator is not necessarily associated with a building or specific site.

CEDS: The Comprehensive Economic Development Strategy identifies regional economic development goals and actions. WCWRPC, as an EDA-designated economic development district, submits the plan to EDA for potential project funding.

Metric: A quantitative measure by which impact and performance can be evaluated.

Standard-of-Living: Generally measured by real income (adjusted for inflation and cost-of-living), but may also include less tangible quality-of-life attributes (e.g., leisure, services, health, safety).

SWOT Analysis: The process of analyzing internal strengths and weaknesses and external opportunities and threats.

Triple Helix: The collaboration of business, academia, and government for economic and social benefit.

FOR MORE INFORMATION:

County Economic Development Corporations:

- Barron County www.barroncounty.com
- Chippewa County www.chippewa-wi.com
- Clark County www.clark-cty-wi.org
- Dunn County www.dunnedc.com
- Eau Claire County www.eauclaire-wi.com
- Polk County www.positivelypolkcounty.com
- St. Croix County www.stcroixedc.com

Momentum West www.momentumwest.org

Tax Increment Financing in Wisconsin
www.revenue.gov/slf/tif.html

Transportation Economic Assistance (TEA) Grant
www.dot.wisconsin.gov/localgov/aid/tea.htm

West Central Wisconsin Regional Planning Commission & Regional Business Fund, Inc.
www.wcwrpc.org

Wisconsin Department of Commerce
www.commerce.state.wi.us/BD/

Most organizations within the economic development network maintain websites with valuable links to resources and tools.