

8.0 ECONOMIC DEVELOPMENT

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Introduction

The purpose of this chapter is to provide a general description of the local economy and to identify future economic development needs. Economic development is a key component in maintaining the long-term viability and livability of a community. Three Lakes has a small but thriving downtown with an economy more diverse than that of most isolated communities, even when compared to other towns and villages located in Wisconsin's North Woods. This plan offers a strategy for enhancing and expanding the current business inventory and identifies desired future economic development goals for the community.



According to 14 planning goals identified in Wisconsin's Comprehensive Planning law, the goals related to economic development include:

- Promotion of the redevelopment of lands with existing infrastructure and public services and the maintenance and rehabilitation of existing residential, commercial, and industrial structures.
- Protection of economically productive areas, including farmland and forests.
- Encouragement of land use, densities and regulations that promote efficient development patterns and relatively low municipal, state governmental and utility costs.
- Building of community identity by revitalizing main streets and enforcing design standards.
- Providing adequate infrastructure and public services and an adequate supply of developable land to meet existing and future market demand for residential, commercial and industrial uses.
- Promoting the expansion or stabilization of the current economic base and the creation of a range of employment opportunities at the state, regional and local levels.

Economic Development Vision

In 2030, additional commercial land uses have contributed to the local economy by serving the needs of year-round residents as well as seasonal visitors. The business inventory in Three Lakes consists of a mix of service, technology, cultural arts, retail, light manufacturing and tourism-based industries. Cranberry production and other agricultural forest products continue to thrive within a diversified town economy providing well-paying local jobs and supporting the local tax base.

The Town has utilized the comprehensive plan as well as main street and streetscape planning to enhance the downtown area by expanding community gathering places and providing increased connectivity for residents and vacationers.

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VISIONS, OBJECTIVES, POLICIES AND GOALS

Wisconsin's Comprehensive Planning law requires that the Economic Development element contain a compilation of objectives, policies, goals, maps and programs to promote the stabilization, retention, or expansion, of the economic base and quality employment opportunities in the local governmental unit, including an analysis of the labor force and economic base of the local governmental unit. The element shall assess categories of particular types of new businesses and industries that are desired by the local governmental unit. The element shall assess the local governmental unit's strengths and weaknesses with respect to attracting and retaining businesses and industries, and shall designate an adequate number of sites for such businesses and industries. The element shall also evaluate and promote the use of environmentally contaminated sites for commercial or industrial uses. The element shall also identify county, regional and state economic development programs that apply to the local governmental unit.

From the all of the community forums, surveys and public hearings, the following Economic Development issues concerned the citizens of Three Lakes. Goals were then developed to address these issues while reflecting the vision statement that guided the development of the comprehensive plan.

ISSUES

GOALS

NARROW ECONOMIC BASE	Develop a broader economic base focused in areas of technology, agriculture, tourism, cultural arts and wellness while preserving the town's character and unspoiled environment.
FEW ECONOMIC OPPORTUNITIES FOR YOUNG FAMILIES AND BUSINESSES	Work with the Three Lakes Chamber of Commerce, Oneida County Development Corporation and other partners to develop a strategy to expand the current business inventory.
DOWNTOWN ENHANCEMENTS	Continue to improve the appearance, functionality and long-term viability of the town center.
SUSTAINABLE LOCAL ECONOMY REQUIRES QUALITY LOCAL EDUCATION OPPORTUNITIES TO MATCH EMPLOYERS' NEEDS	Ensure high-quality local school and higher education learning opportunities for all citizens while providing a skilled workforce for the business community.
UNDERSUPPORTED HOME OFFICES, TELECOMMUTERS AND BUSINESS TECHNOLOGY NEEDS	Enhance technology services to community

A full expansion of the above Issues, Goals, Objectives and Policies can be found in *Chapter 12: Implementation*.

LOCAL ECONOMIC DEVELOPMENT DESIRES

Responses to the Residential & Business Survey and comments received during the various public participation activities indicated that landowners and business owners desire a variety of actions aimed at enhancing economic development opportunities in Three Lakes. The most frequently cited issues included:

- Broadening the current economic base
- Expanding access to high-speed internet and mobile phone coverage
- Economic opportunities for young families
- An active business recruitment program
- Achieving living and sustainable wages for working people
- Creating satellite businesses
- Expansion of the tourism market
- Easing restrictions on short-term single-family home rentals
- Increased office and retail space



Labor Force and Economic Base

Chapter 1: Issues and Opportunities provides a detailed analysis of Three Lakes' and Oneida County's economy and labor force. Highlights from that chapter include:

- **Local workers are mobile.** Residents take advantage of convenient access to USH 8, USH 45, STH 17, STH 32, and STH 70 to commute to nearby employment centers in Eagle River and Rhinelander, among others.
- **Income.** Median household income in the Township is comparable with incomes in surrounding communities and was growing prior to the current recession.
- **Occupational Types.** According to the 2008 TAG Business Survey the Town of Three Lakes has a relatively diverse working population including professional, agriculture and manufacturing industries. The Survey reveals the highest employed occupations were in Public Administration, followed by Retail, Service and Food/Beverage Services.
- **Educational Attainment.** Three Lakes residents are becoming more highly educated, with 19.0% of the population having received at least a Bachelor's Degree.

Current Business Inventory and Business Environment

The current business inventory is relatively diverse for a community of less than 5,000 people. To understand the business environment of a community, it is helpful to classify the local economy. In small towns, there are generally five types of economies¹:

¹ Randall Gross, Embracing Change in Small Communities, APA National Conference, March 2005.

1. **Resource-Based Economy.** This type of economy is characterized by geographic isolation, as they are typically far away from larger cities and metro areas and have limited interstate access. These communities often have an aging population base and lack of opportunities for higher education and local employment.
2. **Industrial Economy.** This type of economy is characterized by dependence on yesterday's economic base. Often a community of this type has a single manufacturing or industrial operation that sustains the vast majority of residents.
3. **Metropolitanizing Economy.** These communities are experiencing a high amount of residential development which causes concern about decreasing land supplies, loss of community identity, maintaining small-town character, and avoiding becoming a "bedroom community."
4. **Dependent Economy.** Usually an unincorporated (i.e., town) area outside of the suburban ring of development. The economic vitality of this community depends on the economic success of the larger adjacent/nearby community (e.g., La Crosse, Prairie du Chien). The primary challenge is handling local residential development pressure.
5. **Lifestyle Economy.** These communities include university towns, small communities with military bases and tourist destinations. Residents enjoy their small-community setting and quality of living, but are concerned about their long-term dependency on a single economic source. In the case of Three Lakes, participants expressed a desire to broaden the economic base beyond tourism. While the tourism industry may always be the largest employer, areas in technology, cultural arts, wellness, forest products and agriculture need to have a larger representation in the community.

The town of Three Lakes does not fit easily into any one of the five economies described above. It possesses aspects of *resource-based* and *dependent* economics, but is probably best described as a *life-style economy*. Unlike many of Wisconsin's rural towns, Three Lakes is not rapidly transitioning from one economic category to another. Instead, it tends to shift back and forth between the resource-based, dependent and lifestyle economies as a result of fluctuations in the local, state and national economies.

With the cities of Eagle River and Rhinelander in such close proximity, it may be a challenge for the community to attract existing high-technology and 21st-century economy businesses to Three Lakes. However, with proper incentives at the local level, the town could become a magnet for certain types of start-up businesses (particularly those in the "green economy") and can take actions to ensure that existing employers remain in the town.

Costs and Benefits of Economic Development

The town of Three Lakes has several attributes desirable in attracting business development:

- A location that has traffic flowing through it from north and south along USH 45/STH 32.
- An attractive and safe community atmosphere that provides for a high quality of living.

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- A high quality school district serving the area.
- Reasonable tax rates.
- Access to an incredible array of recreational areas, open space, and water.
- A vibrant tourism-based economy which remains strong during fluctuating economic cycles.
- Technologically-savvy year-round and seasonal residents as well as elected and appointed officials.

While the town of Three Lakes enjoys the advantages identified above, there are several challenges that must be addressed in attracting new businesses and industry, including:

- Although relatively diverse when compared to other towns in northern Wisconsin, the Three Lakes economy is rather narrow in scope with limited long-term, high-paying jobs.
- Residents can easily drive to nearby cities to purchase services and products.
- Similarly, many residents travel outside of the town to work and find shopping, dining and entertainment choices.
- Competition from Eagle River and Rhinelander limits the market area for businesses in Three Lakes.
- Opposition to development from current landowners who may perceive additional commercial and light industrial development as a threat to the town's rural character and quality of living.

Economic Development Strategies and Opportunities

This section highlights some of the economic development opportunities available to Three Lakes. Supporting goals, objectives and policies are provided at the end of the chapter to help Three Lakes capitalize on its most-desired economic opportunities.

AGRICULTURE AND ECONOMIC DEVELOPMENT

A depressed farm economy and growing pressure from nonfarm development may lead to increasing conflicts over the use of agricultural lands in the state. Central to this conflict is the demand for rural housing and recreational land, which has resulted in accelerated rates of farmland conversion to nonfarm uses. In fact, nonfarm growth pressures led to Wisconsin passing the Comprehensive Planning law in 1999 in order to encourage communities to write and use comprehensive plans to guide land-use decisions.

STRATEGIES TO PRESERVE AGRICULTURE

The *Agricultural, Natural and Cultural Resources* chapter highlighted several strategies for sustaining agriculture in the town over the next 20 years and beyond. Given the importance of agriculture to the local economy, this section offers some additional opportunities available to local farmers.



- Sell products directly to customers at a centralized farmers market. Some communities in Wisconsin with a strong tourism economy may have two markets – one catering to year-round and seasonal residents during midweek and another catering to tourists on the weekend.
- Expansion of existing agri-tourism tours of local cranberry operations.
- Participate in seminars and training hosted by the UW-Extension to learn about tools available to farmers to accommodate development requests (i.e., transfer and purchase of development rights, zoning ordinance tools) and other opportunities (i.e., the sale of farm byproducts for energy generation, organic farming opportunities, niche farming opportunities, etc.).
- Consider conversion to organic farming. Strong organic and specialty farm markets are proving very profitable. Since 1990, the organic food industry has grown 20% or more each year and now constitutes an almost \$8 billion industry. An opportunity exists to capitalize on this growing market.

IMPROVED COMMUNICATION BETWEEN TOWN GOVERNMENT AND LOCAL BUSINESSES

With stronger working relationships and open communication, local businesses will better understand local regulations, programs and plans. Accordingly, it is hoped that improved communication will result in businesses that view the Town as a partner in their growth and development pursuits. The Town will support the creation of a local business group or chamber of commerce to further develop the business community in the town.

TOURISM

The town may expand upon its strong tourism-based economy through infrastructure improvements. Streetscaping will enhance the historic character of the downtown and create a unified identity for the town distinct from other North Woods communities. Architectural and design standards will help to maintain the quaint atmosphere of Three Lakes by providing specific guidelines for commercial development. These may include:

- Sidewalk enhancements like colored and stamped concrete and bumpouts to improve crosswalk visibility and invite pedestrians to use the area.
- Character signage (including incentives for business owners to provide such signage to create a theme for the corridor).
- Building façade improvements (e.g. materials, awnings, etc.).
- Landscaping, including street trees and planters.
- Historic lampposts and banners.
- Focusing on node-style development and avoiding “corridor creep,” wherein linear development patterns spread outwards from the community center along roads and highways.
- Among others.



Additional information about streetscaping is provided in the Community Design section of Chapter 10: Future Land Use.

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AGRICULTURE- / NATURE- RELATED TOURISM

Two potential agriculture- and nature-based tourist markets exist in Three Lakes:

1. **Ecotourism.** The natural environment of Three Lakes, including the world's largest Chain of Lakes, provides opportunities to attract ecotourists to the area. The travel industry defines ecotourism as: *a style of travel in which an emphasis is placed on unspoiled, natural destinations and on disturbing the environment as little as possible*². Unlike conventional tourism, ecotourism focuses on experiences (including lodging, dining and entertainment) that occur in harmony with the biosphere. Ecotourism provides an opportunity to distinguish Three Lakes from the many other North Woods communities vying for tourism dollars. Refer to *Chapter 5: Transportation* and *Chapter 7: Agricultural, Natural and Cultural Resources* for additional information on bicycle, pedestrian and water trails.
2. **Agri-Tourism.** Given the strength of the farming economy, opportunities exist to offer tourist activities related to area agriculture including: farmer-for-a-day experiences, rural bed-and-breakfasts, roadside stands, horse boarding and trail riding, pick-your-own produce operations, corn mazes, pumpkin patches and wineries, among others.

Desired Business and Industry

PROFESSIONAL, EDUCATIONAL AND TECHNICAL COMPANIES

Many communities across Wisconsin share in this desire. To be successful, the Town of Three Lakes will need to promote its scenic location, highway access, school district and quality of life.



ADDITIONAL LOCAL RETAIL CHOICES

To be successful, these ventures will require a unique merchandise selection based on local market demand. Otherwise, potential customers will continue to patronize choices available in nearby communities, including "big-box" discount retail stores. Since families and homeowners dominate the local market, potential business may include music stores, furniture stores, craft/quilt shops, etc. To expand

the potential customer base, local retail establishments will also need to market to surrounding communities and capitalize on the potential the Internet provides.

SERVICE BUSINESSES

Service businesses (e.g., restaurants, coffee shops, ice cream parlor, grocery stores and real estate office development) are desired in the downtown. These businesses, like retail choices, should seek to capitalize on the local family market as well as



² Text excerpted from The Intrepid Traveler website, www.hometravelagency.com, 2009.

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year-round tourists. Potential businesses might include food for the home businesses, additional lodging and hospitality, a local brewery and the like.

EXPANDED MANUFACTURING

Industries are needed to provide high-quality jobs to local residents. Ideally, industries would capitalize on the town's location, high percentage of skilled workers and highway access.

HOME OCCUPATIONS

Home occupations of a professional nature, taking advantage of the Internet and other technologies, permit people to work from the privacy of their homes and would be a desirable addition to the Three Lakes economy. Wood-be entrepreneurs could start a new business within the confines of their home and later move the business to the commercial district for greater access to transportation, exposure and room for employees.

Locations for Future Business Development

Oneida County administers the town zoning ordinance for the town of Three Lakes. The Future Land Use Map in *Chapter 8: Future Land Use* will identify areas ideally suited, and desired, for future economic development. Once the comprehensive plan is approved and adopted, the zoning ordinance will be reviewed and, if necessary, revised in order to be consistent with the plan.

INFILL DEVELOPMENT

Infill development is development that takes place on a vacant, undeveloped or redeveloped site within existing communities, making maximum use of the existing infrastructure, instead of building on previously undeveloped land at the community's fringe. Infill projects use vacant or underutilized land in previously developed areas for buildings, gathering places, parks, parking and other uses. In addition to being more environmentally friendly than development occurring in greenfields or on agricultural land, infill development is more economically efficient in the long term since it does not require the extension or expansion of existing utilities and infrastructure.

What is a brownfield?

The U.S. Environmental Protection Agency's (EPA's) definition of a **brownfield site** is "With certain legal exclusions and additions, the term 'brownfield site' means real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant."

BROWNFIELDS

Brownfield sites vary in size, location, age and past use. A brownfield site can be a former corner gas station or an empty manufacturing plant. There are an estimated 10,000 brownfields across Wisconsin. These sites pose a number of problems for communities including:

- Neighborhood deterioration and community blight;
- Potential harm to human health and the environment;

- Reduced tax revenue and economic growth; and,
- Attraction for vandalism, open dumping and other illegal activity.

The term "brownfield" was first used to distinguish developed land from unused suburban and rural land, referred to as "greenfield" sites. The EPA states, and municipalities believe, that choosing brownfield redevelopment over greenfield development yields several benefits for communities and for commerce. Brownfield redevelopment encourages the cleanup of contaminated sites. This is the major goal of most modern environmental regulations. The fewer the number of contaminated sites, the less the cumulative impact to the environment. Another benefit of brownfield redevelopment is that it revitalizes urban areas (many brownfields are centrally located in urban areas). This leads to another perceived benefit -- the minimization of green space development. When brownfields are redeveloped or revitalized in urban areas, less farmland on the urban fringe is developed, maintaining green space and reducing the need for expanding infrastructure and utilities. Finally, when brownfields are redeveloped and new businesses begin operating, these properties return tax base and provide jobs. This is a major financial incentive for communities to develop and encourage programs for brownfield redevelopment.

Interested residents can search for properties in the town of Three Lakes that have been impacted by environmental contamination (and have been reported) through the DNR Bureau for Remediation and Redevelopment Internet website tracking available at: www.dnr.state.wi.us/botw/welcome.do. This database tracks identified sites from first reporting through closure or no further action. Records are kept in perpetuity regardless of whether or not contamination was actually found, the size of the incidence and whether or not the site has been cleaned.

Governments at all levels have recognized that brownfield redevelopment is an important issue. Numerous programs have been created to encourage brownfield redevelopment including grants, loans and tax incentives. In the future, Three Lakes should encourage landowners to pursue the cleanup of all brownfield sites. Likewise, Three Lakes will encourage environmentally friendly business development that is properly permitted and regulated to protect the area's natural environment, particularly its groundwater resources. Three Lakes may choose to grant density bonuses or setback waivers as an incentive to redevelop brownfield sites.

Economic Development Tools, Programs and Partners

CAPITAL IMPROVEMENTS PROGRAM (CIP)

Through a Capital Improvements Program (CIP), communities are able to responsibly plan for future improvements. As is recommended in *Chapter 4: Utilities and Community Facilities*, Three Lakes should consider developing a CIP to help plan for community improvements that can support existing local businesses and desirable new business opportunities. A CIP may be used to plan for road maintenance, vehicles, parks and recreation facilities, and town facility improvements, among others

INTERNET MARKETING

An opportunity exists to develop and utilize the Town of Three Lakes and Three Lakes Chamber of Commerce's website as a marketing tool to advertise desirable economic activities (i.e., home occupations, strong tourism market and recreational opportunities). Information about available sites, the development approval process including printable permit applications, meeting schedules and agendas is valuable to the citizens. This will keep interested individuals abreast of upcoming Plan Commission and Town Board agenda items, including site plans and completed application forms for resident review.



MARKET DATA ANALYSIS

A market data analysis is a comprehensive study that provides details about a business district's current conditions, explores changes occurring in the marketplace, verifies consumer wants, needs and spending habits from that district, discovers what the market will support, and provides the foundation for a business development strategy creation.

The market analysis report defines potential market needs to capitalize upon locally. Furthermore, it provides a foundation for understanding the larger customer base and ways to compete with nearby business centers. The Town may want to consider a market analysis for the USH 45/STH 32 corridor as an implementation tool for local economic development.

Any recommendations included in a market analysis would be implemented in conjunction with this plan to ensure that the economic development opportunities desired are being realized. This will require coordination with utilities and community facilities and transportation improvements identified in previous chapters. The recommendations of any market analysis should be reviewed every five years to measure progress and identify additional objectives.

How Does a TIF Work?

7. The community defines the boundaries of the TIF district area.
8. Tax assessments for the district are frozen at their current value.
9. The community prepares a plan for the TIF district called a "project plan" to describe costs to be incurred and the anticipated tax revenue to make up for the cost over time.
10. The community, through its tax-increment finance authority, can acquire land and make capital improvements in the district (i.e., streets, lighting, landscaping, etc.) to make it more desirable to developers.
11. When development occurs, the value of the land in the district increases. This increased value is taxed, but for a period of time while the TIF district is in effect, the additional tax revenues go to the TIF.
12. This additional tax revenue is used to pay off the expenses incurred by the community in land acquisition and installation of capital improvements.

More information about establishing a TIF is available in Wis. Stats. Ch. 66.1105(5)(g).

TAX INCREMENT FINANCING

Tax Incremental Financing (TIF) allows communities to undertake a public project to stimulate beneficial development or redevelopment that would not otherwise occur. It is a mechanism for financing local economic development projects in underdeveloped and blighted areas. Taxes generated by the increased property values pay for land acquisition or needed public works.

Until recently, TIF has been an economic development tool available exclusively to cities and villages. However, the Wisconsin law was changed to allow towns to establish TIF districts to promote agricultural and forestry development. Towns are more restricted than cities and villages in the range of activities that may receive TIF benefit. The list of eligible activities for a town TIF district includes³:

- Agriculture - animal and crop production and direct support activities.
- Tourism - camps, RV parks, campgrounds, dairy product stores and public golf courses.
- Forestry - including logging and direct support activities.
- Manufacturing - defined as animal slaughtering and processing, wood product manufacturing, paper manufacturing, or ethyl alcohol manufacturing.
- Residential development - limited to sleeping quarters within a TIF district for employees who work for employers engaged in an eligible TIF project (cannot include hotels, motels or traditional homes).
- Retail development - related to the sale of products as a result of allowed agriculture, forestry or manufacturing activities.

The boundary of a TIF may be amended one time. A town TIF district can remain in existence until the earliest of the following:

- The Town has received aggregate incomes equal to the total project costs;
 - 11 years after the last expenditure in the original plan is made;
 - The Town Board dissolves the district by resolution (the Town is then liable for all costs);
- or,

How Does a TIF Work?

1. The community defines the boundaries of the TIF district area.
2. Tax assessments for the district are frozen at their current value.
3. The community prepares a plan for the TIF district called a "project plan" to describe costs to be incurred and the anticipated tax revenue to make up for the cost overtime.
4. The community, through its tax-increment finance authority, can acquire land and make capital improvements in the district (i.e. streets, lighting, landscaping, etc.) to make it more desirable to developers.
5. When development occurs, the value of the land in the district increases. This increased value is taxed, but for a period of time while the TIF district is in effect, the additional tax revenues go to the TIF.
6. This additional tax revenue is used to pay off the expenses incurred by the community in land acquisition and installation of capital improvements.

More information about establishing a TIF is available in Wis. Stats. Ch. 66.1105(5)(g).

³ At least 75% of the area of a TIF in a town must be used for one of the allowable activities.

- The Secretary of Revenue determines the tax increments have been used to pay ineligible costs.

THREE LAKES AREA CHAMBER OF COMMERCE⁴

The Three Lakes Area Chamber of Commerce (TLACOC) and Welcome Center Inc. works to protect promote and react to the interests and needs of the businesses within the community.

The TLACOC provides information related to existing businesses, community demographics, land and businesses for sale, access to local business resources, job openings and information on professional development opportunities. The TLACOC strives to promote the community through targeted marketing efforts, the chamber website, the Three Lakes Visitor Guide, personal referrals, local and regional advertising and by hosting community events.

ONEIDA COUNTY ECONOMIC DEVELOPMENT CORPORATION⁵

In 1989, the Oneida County Economic Development Corporation (OCEDC) was created as a partnership between business and industry, responsible for new business growth and the expansion of businesses already located in Oneida County. The mission of OCEDC is: "To promote and stimulate the orderly growth of stable businesses which will provide year-round employment throughout Oneida County while maintaining a high quality of life with a livable wage."

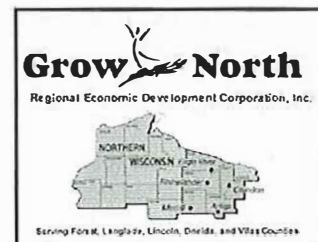
To achieve the mission of OCEDC, the corporation has a staff consisting of a half-time administrative assistant, a full-time executive director and a board of directors, including ex-officios from various aspects of area business and industry. The corporation is located at the Rhinelander-Oneida County Airport. The corporation is funded from three sources: Oneida County, the city of Rhinelander and private contributions. The annual budget for the corporation is approximately \$123,000.

The OCEDC is a nonprofit 501(c)(3) corporation which acts as an economic development coordinator for all of Oneida County. OCEDC assists individuals investigating the feasibility of going into business, works with existing businesses to expand and retain economic viability, and works to attract new business in an effort to expand the economic base and provide employment alternatives to the citizens of Oneida County. OCEDC also acts as a conduit between business and government on a local, regional, state and federal level.



GROWN NORTH REGIONAL ECONOMIC DEVELOPMENT CORPORATION⁶

Grow North Regional Economic Development Corporation (Grow North) was created in 2004 to foster cooperation among economic development partners and foster economic growth



⁴ Excerpted from Three Lakes Chamber of Commerce website, www.threelakes.com, 2009.

⁵ Text excerpted from Oneida County Economic Development Corporation website, www.ocedc.org, 2009.

⁶ Excerpted from Grow North Regional Economic Development Corporation website, www.grownorth.org, 2009.

efforts in Forest, Langlade, Lincoln, Oneida and Vilas counties. Although the communities in each county have their own unique attributes, economic development partners throughout the region have recognized the value of collaborative efforts to grow and diversify the North Woods economy. The natural beauty and ample recreation opportunities make the Grow North region an excellent place to work, live and play.

Grow North is a nonprofit organization with a mission to assist the counties and communities throughout this region in their efforts to recruit and retain businesses, stimulate new job creation and foster an environment conducive to entrepreneurial growth and new company formations. Grow North's partners include private-sector businesses, regional service providers, educational institutions, local economic development organizations and others who are interested in supporting this mission. Members recognize the importance and value of collaboration to ensure that the Grow North region remains competitive in the global economy.

NORTH CENTRAL WISCONSIN REGIONAL PLANNING COMMISSION⁷

The North Central Wisconsin Regional Planning Commission (NCWRPC) provides technical grant writing and administrative assistance to communities that are seeking funds from the U.S. Department of Commerce Economic Development Administration. The NCWRPC also provides assistance for a wide variety of other grant programs, including the Wisconsin Department of Commerce (CDBG program), the Wisconsin Department of Natural Resources, and USDA-Rural Development.

In addition, the NCWRPC provides communities with assistance in a variety of other economic development-related studies, including: 1. developing economic development strategies that examine the local economy assess local trends and identify strategies to spur development; 2. tax incremental financing plans; and 3. retail trade area studies.

Additional services provided by NCWRPC include:

- **Comprehensive Economic Development Strategy (CEDS).** NCWRPC is designated as an economic development district (EDD) by the U.S. Department of Commerce Economic Development Administration. Part of this process involves the annual update of the regional economic development strategy, including the identification of public works projects.
- **Economic Development Studies.** NCWRPC provides communities with assistance in developing economic development strategies. These studies examine the local economy, assess local trends and recommend strategies to spur development in the community.
- **Demographic Data & Mapping Center.** NCWRPC maintains a wide array of data that is available. Some of the data includes U.S. Census (1980 & 1990), Economic Census, Employment and Labor Information, and more.

⁷ Excerpted from North Central Wisconsin Regional Planning Commission website, www.ncwrpc.org, 2009.

- **Specialized Studies.** NCWRPC is available to conduct specialized studies on request. In the past, the NCWRPC has completed economic impact studies, trade area studies and targeted marketing studies.
- **Grant Applications.** NCWRPC provides assistance to communities in the preparation of a variety of grants available from the Wisconsin Departments of Commerce, Natural Resources and Transportation, as well as the Economic Development Administration (EDA) and Rural Development at the federal level. NCWRPC also provides assistance to businesses that are seeking funding under the Small Cities Community Development Block Grant (CDBG) Program administered by the Wisconsin Department of Commerce.
- **Loan Fund Assistance.** NCWRPC provides professional management assistance in the initial development of loan funds, from funding to manuals and forms, to the financial review of loan applications. In addition, the NCWRPC serves as staff to the North Central WI Development Corporation, a multi-county revolving loan fund.
- **Business Park Development.** NCWRPC assists communities interested in creating business or industrial parks. Feasibility studies, grant application assistance, park design and layout, and tax incremental finance districts planning can be provided.
- **Industrial Parks and Sites Inventory.** NCWRPC along with the Wisconsin Department of Commerce has inventoried all available sites and placed them on the State's webpage. The NCWRPC annually updates this information.
- **North Central Advantage Technology Zone.** The North Central Region of Wisconsin was recently designated as one of the eight Technology Development zones in the state. The Region includes Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Wood, and Vilas Counties. This nine county region has been titled the North Central Advantage Technology Zone and is intended to promote the development and expansion of high-technology businesses by the issuance of Wisconsin income tax credits (see below).

NORTH CENTRAL ADVANTAGE TECHNOLOGY ZONE⁸

The North Central Advantage Technology Zone (NCATZ) offers tax credits to new or expanding businesses implementing technology within a nine-county area in north central Wisconsin. With a designation as a technology zone by the Wisconsin Department of Commerce, the NCATZ can offer up to \$4 million in tax credits to eligible businesses over an eight-year period.

The Department of Commerce will certify new or expanding businesses for tax credits based on a company's ability to create jobs and to attract related businesses. The business must first be endorsed by the local Technology Zone Board. The Technology Zone tax credits program is scheduled to last for 10 years. Credits are granted to businesses for a three-year period and may be carried forward with an extension to five years.

⁸ Excerpted from North Central Advantage Technology Zone website, www.ncwrpc.org/tech/TechZone, 2009.

SMALL BUSINESS ADMINISTRATION – ARC LOAN PROGRAM

ARC loans can be used to make payments of principal and interest, in full or in part, on one or more existing, qualifying small-business loans for up to six months. ARC loans provide an immediate infusion of capital to small businesses to assist with making payments of principal and interest on existing debt. These loans allow borrowers to redirect cash flow from making loan payments to investing in their businesses, to help sustain the business and retain jobs. For example, making loan payments on existing loans with proceeds from an ARC loan can allow a business to focus more funds on core operations, such as buying inventory or making payroll. ARC loans are interest-free to the borrower, carry a 100% guarantee from the SBA to the lender, and require no fees paid to SBA. Loan proceeds are provided over a six-month period and repayment of the ARC loan principal is deferred for 12 months after the last disbursement of the proceeds. Repayment can extend up to five years.

The best candidates for ARC loans are small businesses that in the past were profitable but are currently struggling, yet have been making loan payments or are just beginning to miss loan payments due to financial hardship.

JOINT EFFORT MARKETING GRANT PROGRAM (JEM)⁹

Another marketing avenue could be the Joint Effort Marketing Grant Program. Each year, the Wisconsin Department of Tourism awards \$1.13 million through this program. This money provides partnership funding in order to help nonprofit Wisconsin organizations promote tourism in their area. Under this program, the state will reimburse up to 75% of a project's first-year costs (no more than 50% of the total budget). For some project categories, the grant will provide up to 50% for the second project year, and up to 25% funding for the third year. In order to be funded, the projects must demonstrate they will increase the number of visitors traveling to the area. The marketing ideas must be consistent with statewide and other local area marketing plans in order to be considered.

There are several different types of marketing efforts that can be utilized and funded under the JEM grants. They include:

- **Destination Marketing** – the goal of this grant is to create a brand image for the partnership of at least three municipalities that would share the brand image that highlights the area's best features. The maximum award is \$10,000 per community, or up to \$40,000 for the total project. Under this grant, there are up to 3 years of available funding, and they do not need to be consecutive years.
- **New Event** – this is an event that has not previously been held in the area. The event has to be repeated on a regular basis and has to be a project that is beyond the scope of regular daily operations. The maximum award for this grant is \$39,550. Three years of funding are available.

⁹ Information from this section comes from agency.travelwisconsin.com/Programs/jcm.shtml.

- **Sales Promotion** – this type of event must offer significant incentives for a limited period of time (usually 6-8 weeks) to entice a targeted market to visit the area. The maximum award is \$39,550. Two consecutive years of funding are available.
- **Existing Event** – with this type of grant, the project may be awarded funding for advertising in a new geographic market, targeting a new demographic, or for advertising that is placed in a new medium. The maximum award for this grant is \$39,550. Two consecutive years of funding are available.
- **One-Time, One-of-a-Kind** – this type of project publicizes an event of great significance (media coverage generated throughout the Midwest). The maximum award amount is \$28,250. Funding is limit to one year.

INDUSTRIAL REVENUE BOND

The Wisconsin Department of Commerce's Industrial Revenue Bond (IRB) Program allows all Wisconsin cities, villages and towns to support industrial development through the sale of tax-exempt bonds. The proceeds from the bond sale are loaned to businesses to finance capital investment projects at, primarily, manufacturing facilities. Even though IRBs are municipal bonds, they are not general obligations of the municipality. The company or business that will use the facilities provides the interest and principal payments on the loan. The local government is in partnership with the business, lending its name, but not its credit, to the bond issue.

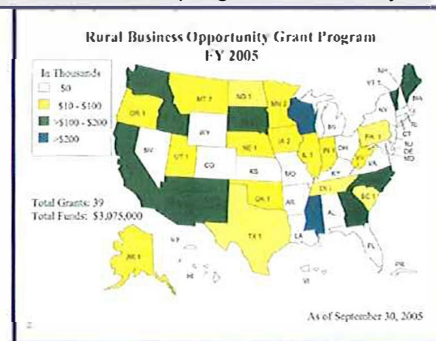
STATE AGENCIES/PROGRAMS

- Wisconsin Department of Commerce – www.commerce.state.wi.us: This department is the state's primary agency for delivery of integrated services to businesses.
- Wisconsin Department of Transportation – www.dot.state.wi.us: The Office of Disadvantaged Business Enterprise Programs encourages firms owned by disadvantaged individuals to participate in all federal and state transportation facility contracts.
- Forward Wisconsin – www.forwardwi.com: Forward Wisconsin markets outside Wisconsin to attract new businesses and jobs, and to increase state economic activity.
- Department of Workforce Development – www.dwd.state.wi.us: This department builds and strengthens Wisconsin's workforce by providing job services, training and employment assistance, and helping employers find necessary workers.
- Wisconsin Small Business Development Centers – www.uwex.edu/sbdc: These centers help ensure the state's economic health and stability. They offer formative business education, counseling and technology training.
- Wisconsin Youth Apprenticeship Program - uwhelp.wisconsin.edu/admission/requirements/freshman/wisyouthprog.asp: This program helps businesses prepare future workers and is an integral part of the state Department of Workforce Development's workforce training strategy. Youth apprenticeship is a rigorous two-year elective program for high school juniors and seniors that combine academic and technical classroom instruction and on-the-job training from mentors.
- Dairy 2020 Initiative is a state, business and education partnership that works to enhance the competitive edge of the Wisconsin dairy industry.

- Wisconsin Women's Business Initiative Corporation - www.wwbic.com: This statewide economic development organization offers high-quality business workshops and trainings, one-on-one business assistance, business incubation programs, a variety of microloan programs and individual development accounts.

RURAL BUSINESS OPPORTUNITY GRANTS¹⁰

The Rural Business Opportunity Grants program has made available \$1.5 million to help promote sustainable economic development in rural communities. The average grant size is expected to be no more than \$50,000. The grants make available money for economic planning, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials.



Eligible applicants include public bodies, nonprofit corporations, Native American tribes or cooperatives with members who are primarily rural residents. Applicants must also possess "significant expertise" in the proposed activities as well as financial strength that will ensure the objectives of the proposed grant will be completed. The grant money must result in economic development of a rural area (any area other than a city or town with a population of greater than 50,000 and the urbanized area contiguous and adjacent to such cities or towns). The project must include a method for determining the success/failure of the project and assessing its impact.

FEDERAL AGENCIES/PROGRAMS

- Department of Agriculture Rural Development Administration – www.rurdev.usda.gov
- U.S. Small Business Administration – www.sba.gov: provides financial, technical and management assistance to help Americans start, run and grow their businesses.
- U.S. Department of Commerce – www.doc.gov
- U.S. Department of Transportation – www.dot.gov

Economic Development Issues and Concerns

RESPECTING RURAL CHARACTER

The visions in preceding chapters highlighted the need to preserve natural features, maintain farmland and continue to offer a high-quality rural living environment. Accordingly, it is important that economic development respects these visions by being of a complementary scale. Intensive industry (with potential pollution concerns) and large commercial establishments (i.e., big-box stores, strip malls, etc.) are not consistent with this image.

¹⁰ Source: United States Department of Agriculture (USDA), www.rurdev.usda.gov, 2006.

While a limited number of new businesses may be established in Three Lakes, they must be appropriately located to minimize potential conflicts with residential areas. Furthermore, new business development must exist in harmony with the rural setting.

PROVIDING AFFORDABLE HOUSING¹¹

Home and land prices have risen significantly over the past 10 years. With the popularity of vacation and second homes, areas like Three Lakes are especially vulnerable to these increases. As wealthy residents from outside the town move to Three Lakes so they can enjoy the rural atmosphere and recreational opportunities of the area, land and home prices will continue to rise.

Tourism is an extremely important component of the local economy and many residents make their living based on this industry. Unfortunately, tourism-related jobs do not pay as well as some other employment sectors. This lower income combined with rising land and home prices is leading to local residents being priced out of the communities where they were raised and currently work in. Some communities, however, are finding creative ways to ensure that these local residents will be able to stay put. Methods include, but are not limited to:

- Create an inclusionary zoning overlay that would allow a density bonus if a certain percentage of new development consists of affordable housing (refer to *Chapter 4: Housing* for information on inclusionary zoning).
- Develop an affordable housing mitigation strategy. This strategy takes into account the number of full-time equivalent jobs expected to be created/needed by new development, and determines the number and size of new affordable housing units that must be built to support the employees. The units should cover several income brackets including very low, low and moderate incomes, thus providing a "housing ladder" for workers.
- Establish a growth cap for new housing in the community, and determine what split of housing should be permanent/seasonal residents. Then determine how many units of affordable housing must be constructed to allow workers to be able to locate in the community. This works to create a sustainable economy for the area.

RESIDENTIAL DEVELOPMENT AS ECONOMIC DEVELOPMENT

To some, residential development is a growing source of taxable income. However, housing requires far more services than commercial, industrial and agricultural development. As a result, residential development may not be an effective, long-term strategy to increase the local tax base.

A number of community studies have been completed across the country that compare tax revenue generated by different land uses (i.e., commercial, industrial, single-family residential, multifamily residential, etc.) to the services they require. These assessments, known as Cost of Community Services (COCS) studies, have demonstrated that single-family residential development routinely increases public costs by a larger amount than it increases tax revenue. In contrast, commercial and industrial developments have a more positive balance relative to tax dollars paid and dollars expended on services; and agricultural lands and open space fare even better.

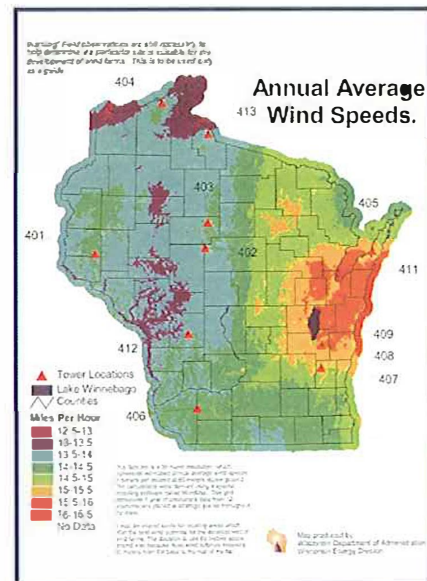
¹¹ SOURCE: American Planning Association Magazine, December 2006.

- **Cost of Community Services in the Town of Dunn, Dane County.** The premier example of such a study in Wisconsin was completed by the Town of Dunn, Dane County in 1994. Many subsequent studies have relied on the Town of Dunn as a model in their efforts¹². The Dunn study revealed that for every \$1 in tax revenue collected by the Town, \$1.06 was required in local services. The ratios for commercial and industrial uses were far more favorable (i.e. for every \$1 in tax revenues collected significantly less than \$1 of service costs were required). The tax ratio was most favorable for farmland and natural areas that required generally around \$0.15 in services for each \$1 in taxes collected. As a result of this study, the Town of Dunn estimates that residential development costs taxpayers \$1,060 in services for every \$1,000 paid in property taxes. Farm and parkland only cost \$180 to service for the same \$1,000 in taxes paid.

Three Lakes supports the idea that new residential development should pay a fair and proportionate share of its service costs and complete necessary studies to adequately gauge their impact on traffic and schools. To achieve this, impact fees (in accordance with Act 477¹³) can be used to require that new development pay a fair and equitable share of road improvement and park costs, among others. If new development stops or slows significantly, revenue generated from impact fees will decrease or disappear.

To make informed land-use decisions, the Town must consider the full costs and benefits of new development. Just as an Environmental Impact Statement allows for an understanding of the effects of building projects on environmental resources, Property Tax Impact Statements help decision makers to assess the full costs and benefits of new development. Property Tax Impact Statements estimate the additional costs of providing and servicing schools, roads, fire protection, police, water, sewer and other public services that will be required for each new development. With a Property Tax Impact Statement, decision makers will know up front what the Town will be paying for and will be able to decide if a development is beneficial or detrimental to Three Lakes from a financial standpoint. These statements may be prepared by a developer or by an independent analyst hired by the Town, but paid for by the developer.

ECONOMIC DEVELOPMENT AND ENERGY PRODUCTION



¹² Additional Information about the Town of Dunn Community Services Study is available on-line at www.town.dunn.wi.us.

¹³ Passed May 30, 2006, Act 477 updates impact fee legislation. Counties can no longer collect impact fees, and municipalities can no longer use them for "other transportation uses" (allows roads, not the purchase of vehicles) or "other recreational uses" (allows money for parks, playgrounds and land for athletic fields, not for improvements of these fields). Fees are to be collected from the builder or property owner within 14 days of the issuance of the building or occupancy permit, must be placed in separate accounts, and must be spent within seven years or refunded.

The town of Three Lakes experiences sustained winds significant enough to support wind energy production (see map below). This situation provides the potential for wind turbines in the town. The siting of a wind turbine provides a landowner direct economic gains. For this reason, wind towers can be particularly enticing to landowners who can benefit from the financial return and still continue to farm the land surrounding the turbine without the conflicts that arise when farmland is sold for residential uses (i.e., complaints about farm noise, odors, hours of operation, etc.). Moreover, having available local sustainable energy supplies is a positive economic factor that may influence some businesses to locate in the region. Wind farms are not without their concerns, including noise, visual impact, impacts on wildlife, and economic effects on land values for properties surrounding turbines or properties with views of turbines.

For wind turbines to be effectively located in Three Lakes, areas should be selected that are agricultural in character with limited nearby residential development. Refer to *Chapter 6: Utilities and Community Facilities* for additional information on wind-generated power.

Coordination with Other Comprehensive Plan Chapters

FUTURE LAND USE CHAPTER

Any new business development must be located in areas that the market will support. At the same time, new development should not create a nuisance for neighboring properties or natural resources. These criteria were carefully considered during the development of the Future Land Use Map.

TRANSPORTATION CHAPTER

Any new business development in Three Lakes should be done in coordination with Oneida County and WisDOT in order to ensure that traffic is appropriately planned and sited to minimize its impact on adjacent roadways. This may require periodic traffic studies to assess the effect of proposed developments. Pedestrian and bicycle access must also be considered.

HOUSING CHAPTER

Economic development in Three Lakes may bring visitors to the town who decide its rural, scenic, country setting is an ideal location to live. Successful business development can also result in jobs that bring people to the community looking for places to live near their place of employment. Accordingly, areas for housing development, consistent with state growth projections, are provided on the Future Land Use Map.

UTILITIES AND COMMUNITY FACILITIES

To support economic development, infrastructure (sanitary service, transportation, electricity, communication, etc.) must be available to meet the needs of businesses. *Chapter 4: Utilities and Community Facilities* discusses Three Lakes' existing and planned infrastructure to serve the needs of the community, including economic interests.

Economic Goals, Objectives and Policies

The goals, objectives, and policies were developed to ensure that Three Lakes:

- *Remains a friendly and alluring community to raise a family or run a business;*
- *Broadens the economic base while retaining its "quaint" charm;*
- *Limits new development to options that retain the town's rural setting;*
- *Respects the opportunity for all property owners to receive fair value for their land; and*
- *Has defined standards for sustainable growth and maintaining an effective comprehensive plan.*

