

6. Economic Development

Introduction

The Economic Development Element assesses categories or particular types of new businesses and industries desired by Bayfield County. It also assesses strengths and weaknesses with respect to attracting and retaining businesses and industries in the County, as well as identifies several economic development programs potentially available to the County.

Existing Conditions

There are several large employers/businesses located in Bayfield County, including County and City of Washburn governmental offices, Bayfield and South Shore School Districts, and the Red Cliff Band of Lake Superior Chippewa Tribal Government and enterprises. There are also several smaller businesses such as restaurants and lodging establishments that employ large numbers of workers based upon seasonality and tourist seasons. Table 6.1 identifies major employers located in Bayfield County.

Table 6.1: Bayfield County Major Employers

100-249 Employees
County of Bayfield
Northern Lights Healthcare Center
Red Cliff Band of Lake Superior Chippewa
Norvado
50-99 Employees
Drummond Area School District
Pier Plaza Restaurant
Lakewoods Resort
Bayfield Inn
Washburn School District
Recreation & Fitness Resources

Source: Wisconsin Department of Workforce Development

Table 6.2 identifies average monthly employment statistics for Bayfield County by industry in 2021. Total average monthly employment was 3,904 in 2021. Of that, 61.8% was within the Government sector and 38.2% was within the private sector. The highest average monthly employment was in the Accommodation and Food services industry. However, a lot of these positions are filled during the tourist season and do not provide year-round employment. In addition, these positions can be filled by summer residents that do not live in the County.

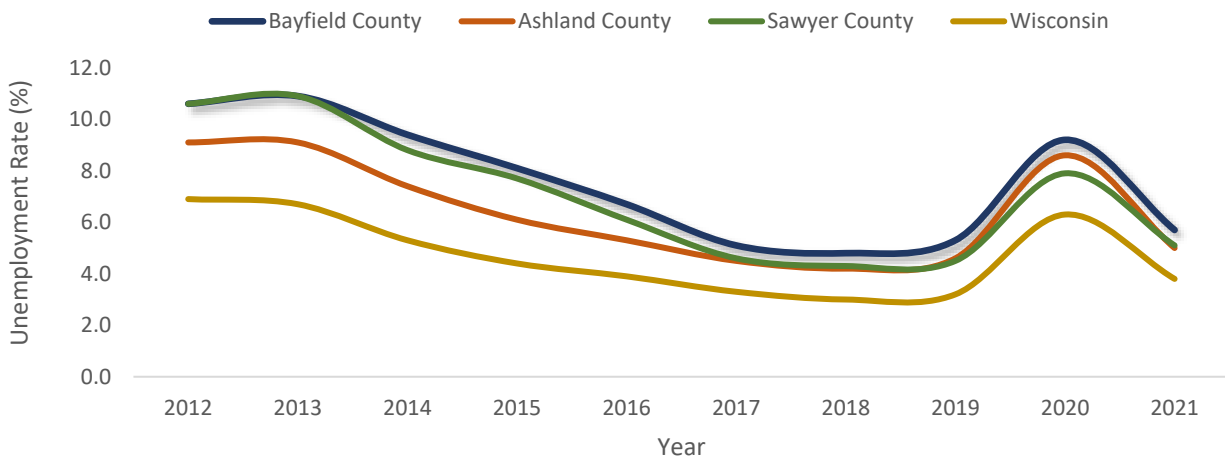
Table 6.2: Average Monthly Employment 2021

Industry	2021 Average Monthly Employment
Accommodation & Food Services	708
Public Administration	614
Health Care & Social Assistance	443
Retail Trade	406
Educational Services	371
Construction	328
Manufacturing	212
Arts, Entertainment, & Recreation	189
Transportation & Warehousing	118
Information	74
Other Services (except Public Administration)	72
Agriculture, Forestry, Fishing & Hunting	65
Real Estate & Rental & Leasing	65
Wholesale Trade	59
Finance & Insurance	53
Utilities	47
Admin & Support, Waste Management & Remediation	43
Professional, Scientific, & Technical Services	39
Mining, Quarrying, & Oil & Gas Extraction	0
Management of Companies & Enterprises	0

Source: Wisconsin Department of Workforce Development

Since 2014, Bayfield County has had higher unemployment rates than neighboring Ashland and Sawyer Counties, and the State of Wisconsin as a whole. The 2021 unemployment rate in Bayfield County was 5.7% (Figure 6.1).

Figure 6.1: Unemployment Rate Comparison 2012-2021



Source: Wisconsin Department of Workforce Development

The median household income in Bayfield County and comparative counties are below the State median income. However, compared to other northwestern Wisconsin counties, Bayfield County has the highest median income at \$62,859 (Table 6.3).

Table 6.3: Median Household Income

Location	Median Household Income
Bayfield County	\$62,859
Ashland County	\$55,070
Douglas County	\$59,688
Sawyer County	\$53,011
State of Wisconsin	\$67,080

Source: American Community Survey 5-Year Estimates 2016-2021

Table 6.4 provides industry employment projections from 2020-2030 for the Northwest Workforce Development Area which includes Bayfield County as well as Ashland, Burnett, Douglas, Iron, Pirce Rusk, Sawyer, Taylor, and Washburn Counties. The highest projected change is in the Natural Resources and Mining industry super-sector.

Table 6.5 provides the average annual wage in 2020 as compared to 2021.

Table 6.4: NW WDA Industry Employment Projections 2020-2030

Industry	2020 Employment	2030 Projected Employment	# Δ	% Δ
Self Employed & Unpaid Family Workers, All Jobs	5,937	5,729	-208	-3.5%
Natural Resources & Mining	1,133	1,662	529	46.7%
Construction	2,642	2,838	196	7.4%
Education & Health Services	14,521	14,781	260	1.8%
Manufacturing	11,694	12,210	516	4.4%
Trade, Transportation, & Utilities	12,848	13,025	177	1.4%
Information	495	454	-41	-8.3%
Financial Activities	1,864	1,796	-68	-3.6%
Professional & Business Services	3,044	3,228	184	6.0%
Leisure & Hospitality	6,767	7,984	1,217	18.0%
Other Services (except Government)	2,988	3,209	221	7.4%
Government	7,255	7,417	162	2.2%

Source: Wisconsin Department of Workforce Development

Table 6.5: Average Annual Wage

Industry Super-Sector	2020	2021
Natural Resources & Mining	\$33,884	\$48,701
Construction	\$59,691	\$107,070
Manufacturing	\$36,112	\$40,507
Trade, Transportation, Utilities	\$31,522	\$33,228
Information	\$73,349	\$80,597
Financial Activities	\$49,295	\$49,047
Professional & Business Services	\$34,041	\$35,397
Education & Health Services	\$38,523	\$39,241
Leisure & Hospitality	\$21,544	\$23,500
Other Services	\$31,112	\$32,812
Public Administration	\$31,876	\$33,654

Source: Wisconsin Department of Workforce Development

Attracting Businesses and Industry: Key Strengths and Weaknesses

Bayfield County has many stable businesses and industries. Residents often commute to these businesses as well as other services businesses in the County. The following is a set of key strengths/reasons why businesses and industries choose Bayfield County:

- Excellent internet bandwidth to a substantial part of the County.
- Natural beauty as a work and play attraction.
- Nearby job training and educational centers.
- Variety of recreational trails and trail networks serving a variety of sports.
- Public lands open to all recreational enthusiasts.

Despite these key assets for retaining and promoting job growth, the project team has identified the following key weaknesses/threats for attracting/ retaining businesses within Bayfield County:

- Rapidly aging population.
- Lack of affordable workforce housing.
- Increase in use of recreational resources is burdening the local municipalities, EMS agencies, and county government agencies.
- Lack of existing infrastructure in developable areas. (Municipal sewer and water).

It is important for current businesses and industry to keep open lines of communication with the County to ensure that existing businesses are maintained for decades to come. Furthermore, it is essential to determine what local products and services are needed. The concept of 'economic gardening' will be supported by Bayfield County as a means of ensuring that local businesses prosper. This concept provides a directive to

concentrate on growing local companies with specialized experience and niche products. Economic gardening looks to grow jobs locally through entrepreneurial activities.

Brownfield Development

According to the Wisconsin Department of Natural Resources, brownfields are abandoned, idle, or underused commercial or industrial properties, where the expansion or redevelopment is hindered by real or perceived contamination. They vary in size, location, age, and use, can be large lots, or an abandoned gas station.

There are several sites throughout Bayfield County that are in need of environmental remediation. The Wisconsin DNR Bureau of Remediation and Redevelopment Tracking System identified 14 open investigation contaminated sites throughout the County. An open status indicates that the site is in need of clean-up, or that clean-up is underway. Three of the sites were leaky underground storage tanks (LUSTs) and 11 were environmental repairs (ERPs) (Table 6.6).

LUST sites have contaminated soil and/or groundwater with petroleum, which includes toxic or cancer-causing substances.

ERP sites have contaminated soil and/or groundwater, including industrial dumping or spills that need long term investigation, buried containers of hazardous substances, and closed landfills that have caused contamination. This can include petroleum contamination from above-ground storage tanks.

These sites can often be remediated and reused for commercial or industrial businesses. This allows the municipality to reuse and begin collecting taxes from previously unproductive lands, and enables the preservation of farmland, as businesses will not have to look at developing greenfield acreage. The Wisconsin DNR has grant and loan programs associated with brownfields.

Table 6.6: Bayfield County Brownfield Sites

Activity Name	Municipality	Status	Activity Type
Teschner, Irene	Washburn	OPEN	ERP
Dupont Barksdale explosives plant	Barksdale	OPEN	ERP
Lakehead Oil/Iron River bulk plant	Iron river	OPEN	ERP
Tri-County corridor bridge	Iron river	OPEN	ERP
Washburn chlorinated hydrocarbons	Washburn	OPEN	ERP
Kurschner property spill	Washburn	OPEN	ERP
Dupont Barksdale southern area	Barksdale	OPEN	ERP
Sand island fishing camp (former)	Bayfield	OPEN	ERP
NPS Raspberry Island Lighthouse	Russell	OPEN	ERP
Dollar General	Iron river	OPEN	ERP
Schooner Bay Marina	Bayfield	OPEN	ERP
Mason Grocery	Mason	OPEN	LUST
Halfmoon lodge	Cable	OPEN	LUST
Iron River COOP - Oulu branch	Oulu	OPEN	LUST

Source: Wisconsin Department of Natural Resources Bureau of Remediation and Redevelopment Tracking System

Economic Development Plans and Programs

There are a variety of local, regional, and statewide economic development tools available to municipalities to assist them with supporting existing businesses and recruiting new businesses (most funding programs require a municipal applicant). In addition, there are programs available for individual businesses to assist in start-up and expansion. What follows is a list with a description of agencies, programs, and resources that can assist Bayfield County with its economic development efforts. This is not intended to be a complete list, but rather the most likely tools to be used by Bayfield County.

At the state-level, Wisconsin Economic Development Corporation defines five key catalysts of economic growth to help activate and accelerate economic opportunity in Wisconsin:

1. Strategic Economic Competitiveness - Encouraging innovation and fostering an environment of success for industry and its supporting workforce.
2. Business Development - Leveraging strategic partnerships to help Wisconsin companies start up, grow, and reach new markets.
3. Community and Economic Opportunity - Helping to improve quality of life through support for minority business growth and community development and revitalization efforts.
4. Brand Development and Strategy - Raising awareness of Wisconsin's many assets through powerful stories and achievements.

5. Operational and Fiscal Excellence - Building confidence by setting strategic goals and maintaining a commitment to performance and accountability.

A variety of programs and tools are available to locally pursue economic development that aligns with these strategies. Tools include grant/loan funding, job creation, impact fees, tax abatement, low-interest business loans and business incubators of the County could work with a municipality for a Tax Incremental Financing (TIF) project.

Effectively using these tools requires an investment by the community to provide resources such as staff to organize and manage these tools, foster partnerships, and secure and manage funding. A limited amount of technical assistance is available from state, county, and other organizations.

Bayfield County Economic Development Corporation

The Bayfield County Economic Development Corporation (BCEDC) provides economic development services to the communities of Bayfield County. It plays a coordinating role for economic development issues that affect Bayfield County and its communities, helps with retention and recruitment, and assists in marketing the County to business and industry. The corporation provides site selection services for industrial and technology parks, and can be a conduit for state and federal funding.

BCEDC staff and board offer the following services:

- Business Planning
- Funding Assistance
- Coaching and Mentoring
- Marketing Assistance
- Site Selection
- Business Advocacy
- Management and Staff Training
- Workforce Search
- Single point contact for referrals to local, regional, and nationwide resources
- Online services related to business resources, business bookstore, export, agriculture business, stimulus funding, nonprofit, business startup, business finance, legal, marketing, statistics, and industry specific.
- BCEDC has additional online data related to:
 - Planning
 - Statistics
- Additional information can be obtained at: bayfieldcountyedc.com/
- To contact BCEDC:
PO Box 704
Washburn, WI 54891

Red Cliff Business Development Corporation

The Red Cliff Business Development Corporation serves to participate in all matters pertaining to the social, economic, and industrial welfare of the Red Cliff Band of Lake Superior Chippewa.

Red Cliff Business Development Corporation offers the following services:

- Marketing Concepts and Advertising Techniques
- Sales Strategies
- Employee Training
- Branding
- Name Recognition
- Community Outreach
- Merchandising
- Store Layout
- Product Placement
- Wholesale Supply Lists
- Client Relationships
- Trade Show Tours
- Lease Negotiation Tips
- Additional information can be obtained at: redcliffbusinessdevelopment.com/
- To contact Red Cliff Business Development Corporation:
Phone Number: (719) 557-1562

Northwood Technical College

Northwood Technical College (NTC) provides educational programs in support of business and industry in the region. It not only provides customized training and technical assistance programs. It also runs an affiliate center of the Northwest Wisconsin Manufacturing Outreach Center which helps manufacturers access and use modern tools and strategies.

NTC offers the following:

- Over 100 career programs and over 60 certificates
- A NTC campus in Ashland, WI
- Additional information can be obtained at: northwoodtech.edu/
- To contact NTC:
24-Hour Phone: (800) 243-9482

Northwest Regional Planning Commission

On a multi-county level, the Northwest Wisconsin Regional Plan Commission conducts economic development, planning, and project development services. The Commission is designated as an economic development district by the Economic Development Administration. It is required to undertake economic development planning and project identification for 10 Northwest Wisconsin Counties and the Tribal Nations of Bad River, Red Cliff, Lac du Flambeau, Lac Courte Oreilles, and St. Croix. The Commission provides local economic strategies, industrial site analyses, economic development financing, county economic and population profiles, and community and industrial park profiles.

NWRPC provides the following services:

- Planning
- Grant Writing
- Revolving Loan Fund Administration
- Additional information can be obtained at: nwrpc.com/
- To contact NWRPC:
1400 South River Street
Spooner, WI 54801
(715) 635-2197

Realtors Association of Northern Wisconsin

The Realtors Association of Northern Wisconsin is the local association of real estate brokers. This organization plays an important supportive role to economic development by providing access to the real estate market and relocation services for business and people.

Wisconsin Economic Development Corporation

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the State of Wisconsin by providing resources, operational support and financial assistance to companies, partners, and communities. Working with more than 600 partners across the State, including regional economic development organizations, academic institutions, and industry clusters, WEDC develops and delivers solutions that help businesses, communities, and people maximize their potential in Wisconsin.

Wisconsin Department of Transportation

The Wisconsin Department of Transportation administers the Transportation Economic Assistance (TEA) Program. The Tea Program provides matching grants to governing bodies for road, rail, harbor, and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the State.

US Economic Development Administration

The US Department of Commerce and the Economic Development Administration offers two programs for assistance with economic development that apply to the County and municipalities within the County where partnerships can be formed. One is

the Public Works and Economic Development Facilities Assistance Program, which supports the construction or rehabilitation of essential public infrastructure and development facilities necessary to generate private sector jobs and investment, including investments that support technology-led development, redevelopment of brownfield (contaminated) sites, and eco-industrial development. Secondly, the Economic Adjustment Assistance Program is available to: (1) address the immediate needs of businesses and communities presently undergoing transition due to a sudden and severe job loss; and (2) demonstrate new and proactive approaches for economic competitiveness and innovative capacity for threatened regions and communities.

US Small Business Administration

The US Small Business Administration (SBA) provides support to maintain and strengthen the economy by enabling the establishment and vitality of small businesses and by assisting in the economic recovery of communities after disasters. The SBA provides access to capital, contracting expertise, counseling and training, and disaster assistance.

USDA Rural Development

The USDA Rural Development Community Facility Loan Program provides funds to local units of government to construct, enlarge, extend, or otherwise improve community facilities providing essential services in rural areas and towns.

Assessment of Future Needs

Bayfield County has a robust tourism economy, exceptional broadband coverage across much of its area, and an expanding number of entrepreneurial business start-ups. Demographics show that the population of Bayfield County is becoming older than the rest of Wisconsin. An increase in services and facilities will be needed for the aging residents. Additional workforce housing will be needed for the increased numbers of care givers and the entire labor force in general. Finally, the current tourism-based economy is putting an increased pressure on the natural resources and human resources of the businesses, EMS agencies, and government agencies.

- Emphasis on the creation of additional workforce/affordable housing.
- Address issues related to labor force participation rates.
 - Support initiatives to increase child and eldercare opportunities.
- Identify and address the negative effects an aging population will continue to have on the economy.
 - Identify “desert” areas for eldercare, childcare, and medical services.
 - Invest in opportunities/facilities for the medical and caregiver fields.
- Work with Bayfield County Economic Development Corporation, local, state, and federal agencies to determine funding related to project planning and project construction.
- Define infrastructure needs related to projects in developable needs.
 - Invest in feasibility studies in these areas to develop a future plan when the need to move forward arises.
 - This includes cell phone and broadband internet coverage.

- Identify EMS and other service needs related to expansion of businesses who may rely on those services.

There are some advantages to areas and its resources related to economic development:

- **Logging/Forestry** - The County and Federal Government own a large portion of the land in the County. A good portion of revenue generated each year for the budget comes from foresting and timber sales.
- **Agriculture** - provides a revenue stream for a lot of families in addition to their full-time jobs. Agriculture has been a staple in the northern Wisconsin way of life.
- **Assisted Living** - Population projections support the need for assisted living in the area.
- **Quality of life** - Increased population density is resulting in the need for additional trail systems and businesses to serve those activities.
- **Tourism** - increased visitors using the recreational trail systems is providing the need for additional trails and businesses who support those sports/enthusiasts resulting in an opportunity for business growth and expansion.

It is important to locate appropriate sites for businesses to locate in Bayfield County. What is most important is that the site selected is defined and approved prior to commitment.

Economic Development Policies

- Policy: Ensure that the zoning code and ordinances align in an effective streamlined process for economic development including business expansion, development, home, and commercial development.
- Policy: Encourage the development of key infrastructure in areas of highest potential for future commercial interest.
- Policy: Contact cell phone and broadband internet providers at the local and national level to define locations for expansion of services in Bayfield County. There is a direct benefit to:
 - Residents for day-to-day operations
 - Commercial/industry to compete at the local, state, and international level.
 - Attraction of new commerce/industry
 - Expansion of niche businesses
 - Emergency response times and locations