

## ELEMENT 6 - ECONOMIC DEVELOPMENT

### 6.1 INTRODUCTION

The Town of Sherman is located in southern Iron County, within the highland lake district of north central Wisconsin. It is heavily forested and contains numerous surface water resources and wetlands. The area’s bountiful natural resources provide four-season recreational activities and sustain tourism in the town and the county. Protecting the town’s natural resources and yet providing for economic development is a delicate balance for citizens of the town.

Several factors or characteristics of the population, labor force, and the economic base of the Town play a major role in its economic development and will be discussed in this element. In addition, the strengths and weaknesses of the town with respect to attracting and retaining businesses will be explored along with listing an inventory of the existing businesses. A multitude of Federal, State, Regional and County economic development and workforce development programs and/or organizations that may be available to the Town of Sherman are shown in Appendix F.

**Economic Development Vision – 20-Year Outlook**

*In preparation for the Comprehensive Planning project the Town of Sherman surveyed residents and property owners regarding economic development. Survey results indicate that most residents support efforts to create new jobs in the County, and those jobs in Tourism, Forestry, Light Manufacturing and Service industry are most desired.*

*However, when looking at economic development efforts, it is very important to understand that over 70% of survey respondents felt that **economic development should not be allowed if it would significantly change a community's character or quality of life.***

*Therefore, economic development efforts in the Town of Sherman over the next 20 years should support continued growth of existing businesses and the jobs they create, but great care needs to be taken so that new business development does not change the main reason many of residents choose to locate in Sherman, the Towns unique character and overall quality of life.*

### 6.2 LABOR FORCE

Labor force is defined as the portion of population 16 years or older that is employed or unemployed but looking for a job. Table 6.1 gives an overview of some of the characteristics of the population and labor force in the Town of Sherman, Iron County, and Wisconsin.

Sherman’s share of population over age 60 is much larger than the county, the state, or the nation. This is reflected in the town’s median age of 59.2, which is substantially higher than the State (36.0) or Iron County (45.0) median age. In fact, for Census 2000, Sherman had the second oldest median age of all municipalities in the state. Of all counties in the state, Iron County has the second highest median age.

**Table 6.1: General Characteristics of the Population, Year 2000**

<b>Characteristics</b>	<b>Town of Sherman</b>	<b>Iron County</b>	<b>Wisconsin</b>
Civilian Labor Force	82	3,150	2,869,236
Unemployment Rate	4.9%	8.9%	4.7%
Labor Participation Rate	28.9%	55.0%	69.1%
Education Beyond High School (25 and over)	41.2%	45.5%	50.6%
Bachelor's Degree or Higher (25 and over)	16.7%	13.2%	22.4%
Per Capita Income	\$24,336	\$21,936	\$21,271
Median Household Income	\$37,375	\$29,580	\$43,791
Poverty Rate	3.5%	11.1%	8.7%
Median Age	59.2	45.0	36.0

Source: U.S Bureau of the Census, Census 2000, SF 1 & SF 3

Labor Participation Rate is the number of residents, working or looking for work, divided by the total non-institutional population over 16 years of age. One of the primary reasons for the low labor participation rate in the Town is the large percentage of population over age 65. An aging labor force, a low birth rate, and the loss of younger workforce members will have impact the future labor supply of the Town of Sherman and, therefore, will have an effect on the town's economy.

**6.3 ECONOMIC BASE**

The Town of Sherman is located in the “lake region” of Wisconsin’s north woods. It occupies 138 square miles and has 55 named lakes and numerous unnamed small lakes that occupy nearly 3,000 acres with 79 miles of shoreline (excluding the Turtle-Flambeau Flowage).

The Turtle-Flambeau Flowage, located in both Sherman and the Town of Mercer, is a man made reservoir created in 1926 by damming of the Turtle and Flambeau rivers. The Flowage covers an additional 14,000 acres of water and 211 miles of shoreline. The State of Wisconsin owns about 95% of the shoreline, which will never be developed.

Due to this abundance of natural resources, recreation and tourism are extremely important to the town's economy.

**Employment by Industry**

Table 6.2 lists the number and percent of employed residents in the Town of Sherman by industry sector from Census 2000 data plus the 2002 annual average pay for each industry sector for Iron County as a whole (pay data is not available at Township level).

The Manufacturing sector has the largest number of employees (23%) that are residents of Sherman. Construction (15%) and Education, health, and social services (14%) industry sectors employ the next largest number of Sherman residents.

**Table 6.2: Town of Sherman Employment by Industry using NAICS**

<b>Industry</b>	<b>Town of Sherman Employees</b>	<b>Percent</b>	<b>2002 Annual Avg Pay for Iron County</b>
All Industries	78	100.0%	\$21,084
Agriculture, forestry, fishing and hunting, and mining	2	2.6%	\$32,743
Construction	12	15.4%	\$32,521
Manufacturing	18	23.1%	\$21,650
Wholesale trade	0	0.0%	\$33,647
Retail trade	5	6.4%	\$16,281
Transportation and warehousing, and utilities	6	7.7%	\$22,864
Information	3	3.8%	ND
Finance, insurance, real estate, and rental and leasing	4	5.1%	\$20,446
Professional, scientific, mgmt., administrative, and waste mgmt.	2	2.6%	\$21,520
Educational, health and social services	11	14.1%	\$21,789
Arts, entertainment, recreation, accommodation and food service	7	9.0%	\$8,692
Other services (except public administration)	2	2.6%	\$19,437
Public administration	6	7.7%	\$27,612

Source: U.S. Bureau of the Census, Census 2000, SF 3; U.S. Bureau of Labor Statistics

ND: Non Disclosable--data do not meet BLS or State agency disclosure standards

Not included in Table 6.2 are 14 businesses in Sherman (and 452 in Iron County ) that are classified as "non-employers". The Census Bureau defines "non-employers" as businesses with no paid employees, but are subject to federal income tax. Typically these are self-employed individuals or partnerships that they have chosen not to incorporate. Non-employers are not included in any of the detailed sector-specific reports published by the Census Bureau.

Also, Sherman's percentage of self-employed and unpaid family members (18%) is three times the State (6.4%) and nearly 50% higher than Iron County(12.6%). This confirms that Sherman has a large number of small businesses that are difficult to categorize using Census data.

### **Sherman Businesses**

Table 6.3 lists the employers in the Town of Sherman as of March 2003. Within the employment size ranges, however, the companies are not necessarily in rank order.

**Table 6.3: Employers in Sherman in Order of Number of Employees**

<b>Employer Name</b>	<b>Product or Service</b>	<b>Employment Size Range</b>
Town of Sherman – Iron County	Executive and Legislative Offices	5-9
Marose Custom Cabinets, Inc.	Finish Carpentry Contractors	1-4
Al Schlitz Builders	Residential Remodelers	1-4
Kramer Forest Products Inc.	Other Building Material Dealers	1-4
Frontier Inn Corporation	Full Service Restaurant	1-4
The Birches on Boot Lake	Resort/Tavern	1-4
Springstead Lake Lodge	Resort/Tavern	1-4
Custom Tree Service	Tree Service	1-4
North of the Border	Resort/Restaurant	1-4
Springstead Trading Post & Archery	General Store/Archery Range	1-4
French Lake Resort	Resort	1-4
KM Landscaping	Landscaping Services	1-4
Double E Resort	Resort	1-4
Gary Kessler Excavating	Excavating Service	1-4
Deerwood Lodge	Resort	1-4
Springstead Historic District	Historical Site	1-4
Studio in the Woods	Art Studio	1-4
Ken Meyer Logging	Logging	1-4
Westphal's Resort	Resort	1-4
Springstead Self Storage	Self Storage Warehouse	1-4
Northern Property Services	Landscaping Services	1-4

Source: WI Department of Workforce Development, March 2003 and local knowledge.

**Worker Commuter Patterns**

Table 6.4 indicates the number of people who live or work in the Town of Sherman who commute to work and the location of their place of employment and the location of their residence. Of the 78 Sherman residents that work, only 18 percent work in the Town. Nearly 35 percent of Sherman residents work in neighboring Price County and 18 percent work in Vilas County. Of the 15 people who are employed in the Town of Sherman, 14 are residents of the town.

**Table 6.4: Town of Sherman Commuting Patterns, 2000**

Live In:	Work In	Count	Travel To:	From:	Count
Town of Sherman	Town of Sherman, Iron Co.	14	Town of Sherman	Town of Sherman, Iron Co.	14
	Price Co. WI	27		Price Co. WI	1
	Vilas County, WI	14			
	Iron County , WI (non-Sherman)	8			
	Oneida Co. WI	2			
	Ashland Co. WI	2			
	Other Counties or States	11			
Totals		78	Totals		15

Source: Census 2000, MCD/County to MCD/County Worker Flow files

**6.4 ATTRACTING AND RETAINING BUSINESS AND INDUSTRY**

Historically, business attraction has centered on manufacturing, but increasingly attracting tourism, forest products and service-oriented businesses has become important in order to diversify and expand the economy of the area. To be successful, an attractive and competitive environment must be provided. Entrepreneurship and small business development should be encouraged to create new jobs and provide stability to the local economic base.

Several questions regarding economic development were included in the Comprehensive Plan Survey sent to all Sherman property owners. It is very important to note that among economic development questions, the strongest response was in question 42, which read:

*"How should possible changes brought on by economic development be balanced to preserve local community quality of life ? "*

	Town	Resident	Non-Resident	County
Economic development should not be allowed if it would significantly change a community's character or quality of life.	156 (71.2%)	49 (68.1%)	105 (73.4%)	1,349 (63.7%)
Preserving the community's character or quality of life should not be an issue when seeking economic development.	28 (12.8%)	10 (13.9%)	17 (11.9%)	468 (22.1%)
Don't know	35 (16.0%)	13 (18.1%)	21 (14.7%)	301 (14.2%)

Source: 2003 Iron County Comprehensive Plan Survey Results

Over 71% of respondents felt that economic development should not be allowed if it would significantly change the character or quality of life in the community. 13% felt that economic development was more important than preserving community character and quality of life, and 16% answered "Don't Know".

In general, survey respondents felt there are not enough current job opportunities in Iron County and would support County efforts to create new jobs (Questions 37, 38). Also, Sherman respondents indicated that attracting tourism, light industry/manufacturing, timber resources, and service businesses were most important. (See Table 6.5 below.)

**Table 6.5: Types of Industries Believed to be Most Important for Iron County to Attract**

Industry	Resident	Non-Resident	Town Totals	
	% Of Total	% Of Total	Number	% Of Total Responses
Tourism Businesses	32.9%	67.1%	148	63.2%
Light Industry/Manufacturing	38.9%	61.1%	128	54.7%
Timber Resource Industries	35.8%	64.2%	111	47.4%
Service Businesses	31.5%	68.5%	92	39.3%
Agriculture (dairy, tree, and cranberry farms)	22.7%	77.3%	66	28.2%
High Tech Industries	33.9%	66.1%	60	25.6%
Retail Development	33.3%	66.7%	54	23.1%
Heavy Industry/Manufacturing	34.8%	65.2%	23	9.8%
Public Sector, Governmental	20.0%	80.0%	15	6.4%

Source: Town of Sherman Comprehensive Plan Survey Results (Total Town Responses = 234)

**6.5 TECHNICAL AND PHYSICAL INFRASTRUCTURE**

The Town of Sherman and Iron County have transportation facilities to serve existing and future businesses. An excellent roadway system is available in the county providing truck freight access to businesses in the county. Great Lakes cargo shipping service is available at Duluth/Superior. Passenger and airfreight service is available at both the Gogebic/Iron County Airport in Ironwood, MI and at the Oneida County Airport in Rhinelander, WI. Bus service for passenger and small freight packages is very limited. Freight rail service is located in Park Falls, Wisconsin.

Physical infrastructure, like sewer, water and natural gas are not currently available in Sherman. Electrical service is adequate for current needs, but upgrades will be needed to serve major new developments. Price Electric Cooperative is ready and willing to perform these upgrades as needed.

Telecommunications services are readily available to businesses. Rural areas in Wisconsin, such as Iron County, are further ahead than many urban areas in the availability of high speed Internet access. Technology infrastructure in Iron County is widespread and includes T1, T2, T3 lines, DSL, cable, dial up, and fiber optic. Cell phone service in Sherman is poor, with major portions of the Town having no service using hand-held cell phones.

## **6.6 QUALITY OF LIFE**

A good quality of life is becoming increasingly important to employers and employees alike, not only in Wisconsin, but around the country. The Town of Sherman has a premium quality of personal life, with a beautiful physical environment, excellent quality and quantity of water. Sherman children attend school in Park Falls, WI, which offers an excellent education and a wide variety of extra curricular programs.

Natural, recreational, and lifestyle amenities abound throughout the county and tranquility and solitude of the great outdoors is plentiful. The lack of traffic congestion, low crime rates and the small- town atmosphere enhance the quality living environment. Clean, unpolluted air as well as lots of open space for recreation and expansion, add to the general overall quality of life to residents of Sherman.

## **6.7 STRENGTHS AND WEAKNESSES FOR ATTRACTING & RETAINING BUSINESS AND INDUSTRY**

### **Strengths**

1. Overall Quality of Life (low crime, no traffic, clean environment, etc.)
2. Abundance of natural resources for the Wood Products/Forest Industries.
3. Natural Resources (lakes, forest, etc.) for Tourism Industry

### **Weaknesses**

1. Lack of sewer, water and natural gas utility services
2. Labor force availability (very low labor force participation rate in Sherman)
3. 20 plus mile distance to shopping, schools, health care and other basic amenities
4. Limited electric power availability (current residential use is straining transmission system.)
5. Small local market and high seasonal population limits retail/service type development
6. Distance to major transportation centers/routes increase shipping costs for manufacturers.
7. Poor cell phone service – major areas of the Town have no signal with hand held cell phones.

## **6.8 BUSINESS AND INDUSTRY SITES**

Sherman's Land Use Plan, completed in 2002, identified four different areas along Hwy. 182 as future "highway commercial" districts. These districts all have existing commercial businesses and the Land Use Plan encourages new commercial development to locate adjacent to or in close proximity to these businesses.

Currently, property located 500' on either side of Hwy. 182 is zoned commercial. However, this Hwy. 182 frontage includes a significant amount of wetland area, which is unlikely to be developed, as well as a large number of lakes, streams and rivers, which also limit commercial development. Property in the 500' commercial zone is subject to lake classification standards if it is inside the shoreland zone.

## 6.9 TOURISM IMPACT TO THE LOCAL ECONOMY

In January 2002, a Land Use Plan for the Town of Sherman was adopted by the Town Board. Because of the economic impact to the town and the county, a chapter was dedicated to recreation and tourism. At the time the plan was written, there were a total of 8 resorts with 37 cabins, 6 trailers, and 2 travel trailer sites available in the Town of Sherman. It is likely that these businesses are nonemployer establishments as defined earlier in this element.

Information on tourism spending is not available at the town level; therefore, Iron County data, acquired from the Wisconsin Department of Tourism must be used for the Town of Sherman.

Iron County is a vacationland for local and distance travelers and ranks 46<sup>th</sup> of 72 counties in the state for traveler spending<sup>1</sup>. Local events and natural resources significantly contribute to the number of visitors to Iron County and the Town of Sherman. Businesses that cater to tourism, such as motels, resorts, campgrounds, B&Bs, and retail stores complement the hundreds of miles of recreational trails as well as parks, golf courses, historic sites, and other area attractions.

According to the State Department of Tourism, traveler spending statewide has continued to increase reaching an estimated \$11.7 billion in 2002 (December 2001-November 2002). Visitors to Iron County in 2002 spent a total of \$60,830,370. Summer is the biggest season and generated traveler expenditures of \$27 million. Winter/spring travelers spent \$20 million and fall visitors spent \$14 million.

Tourism is an extremely vital part of Iron County's economy. Since 1993, travel expenditures in Iron County increased nearly 77 percent, from \$34 million to \$61 million. Jobs in the county created as a direct result of tourists equaled 1,051. That number jumps to 1,743 full-time equivalent jobs when counting all people employed both directly and indirectly as a result of traveler spending in Iron County. Translated to total county workforce, it means that more than half of all people employed in Iron County are in jobs created by tourism. Employees in the county earned an estimated \$38 million in wages generated from tourist spending.

The total impact of tourism extends far into the county, making a contribution to schools and local governments. Local revenues (property tax, sales taxes, lodging taxes, etc.) collected as a result of tourist spending was an estimated \$4.7 million in 2002 and state revenues (lodging, sales and meal taxes) amounted to another \$4.7 million.

The economic impact to the Town of Sherman based on seasonal homes is significant. According to Census 2000, over 62 percent of total housing units in the town are for seasonal, recreational, or occasional use.

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<sup>1</sup> Wisconsin Department of Tourism, May/June 2003

**6.10 REDEVELOPMENT AND CONTAMINATED SITES**

Redevelopment of contaminated or blighted locations can be of significant benefit to local units of government. Benefits range from removing potentially environmentally hazardous materials to adding tax base and jobs to the area. Too often, these sites are overlooked due to the perceived costs associated with redevelopment. Programs at the state and federal level can contribute to the cleanup of contaminated or blighted sites. The Petroleum Environmental Cleanup Fund Act and the creation of Tax Increment Districts can be used to redevelop and clean up contaminated and blighted sites.

Table 6.6: Town of Sherman Open LUST Sites			
Activity Name	Location	Jurisdiction	Risk
Frontier Inn	Sherman	Commerce	Low
Springstead Trading Post	Springstead	Commerce	Low

Source: WDNR, BRRTS data

Leaking underground storage tanks (LUST’s) are often a source of localized contamination problems and may pose threats to health and safety. These threats may include: contamination of soil and groundwater; contamination of drinking water; or contamination of lakes, rivers, and streams. Underground storage tanks are regulated in Wisconsin under,

- ❑ **Comm 10** Wisconsin Department of Commerce's rule governing installation, registration, maintenance, and abandonment of petroleum storage tanks
- ❑ **NR 746** - Applies specifically to sites where petroleum products have discharged from storage tanks
- ❑ **Comm 47** Department of Commerce rule that governs reimbursement from Petroleum Environmental Cleanup Fund Act (PECFA)
- ❑ **PECFA** Wisconsin's reimbursement program for eligible costs of cleaning up contamination from leaking underground and aboveground petroleum storage tank systems, administered by the Department of Commerce.

The Department of Commerce has jurisdiction over two LUST sites in the town (Table 6.6). Land uses should consider the potential negative impact of LUST sites and other pollution hazards. Wisconsin’s corrective action rules (NR 140 & NR 700 series) define the process for management of environmental discharges from the time of discovery until site closure. Soil and groundwater cleanup standards under these rules are ‘risk-based’, with consideration of individual site conditions.

**6.11 ECONOMIC & WORKFORCE DEVELOPMENT - PROGRAMS / ORGANIZATIONS**

There are many programs at the federal, state, regional and local level that can help the Town of Sherman to support both economic development and workforce development efforts. In addition, there are programs available for individual businesses to assist in start-up and expansion. A listing and brief explanation of these programs is shown in Appendix F.

## 6.12 ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, AND ACTIONS

A set of recommended goals, objectives, and actions have been developed to assist the Town of Sherman in its overall effort to support, retain, and attract economic development activity.

**GOAL: PROMOTE ECONOMIC GROWTH THAT IS COMPATIBLE WITH NEEDS OF THE COMMUNITY AND OUR RURAL/NORTHWOODS CHARACTER.**

Objective 1: Support/encourage formation of a local business association to promote the area.

*Action 1: Meet with local business owners to gauge interest in local economic development. Determine if forming a local group or becoming associated with Mercer or Park Falls Chamber makes more sense.*

Objective 2: Focus economic development activity of tourism, forestry, and other businesses that are compatible with the needs and desires of the community.

*Action 1: Review statistics from Iron County to see what businesses should be focused on.*